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ABSTRACT

This report describes the 1994 activities and recommendations of the committee charged with studying the budget, programs, and policies of North Carolina's 12 Smart Start early childhood education and development demonstration projects. Smart Start is a high quality early childhood education and family services initiative involving public and private sector partnerships for children. In 1994, the committee met three times to hear testimony from the state Department of Human Resources, the Secretary of Human Resources, the North Carolina Partnership for Children, Inc. (a public-private corporation that administers the Smart Start programs), 8 of the 12 local Smart Start programs, and 3 local planning committees from counties not selected for Smart Start demonstration projects in 1993. The committee recommended that funding for Smart Start be increased in fiscal year 1994-95, and that 12 additional sites should be selected for demonstration projects. The bulk of this report consists of 12 appendixes, which include copies of the statute that created the committee, the committee roster, a Smart Start program description, legislation and budget figures relevant to the Smart Start program, the mission statement and board membership of the Partnership for Children, and two legislative proposals to expand the Smart Start program in 1994-95. (MDM)

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JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES

MAY 20. 1775
APRIL 12. 1776

REPORT TO THE
1993 GENERAL ASSEMBLY
OF NORTH CAROLINA
1994 SESSION

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May 18, 1994

TO THE MEMBERS OF THE 1993 GENERAL ASSEMBLY:

Pursuant to G.S. 120-70.91 of the General Statutes, the Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives hereby submits its first report of recommendations and findings to the 1994 Regular Session of the 1993 North Carolina General Assembly.

Respectfully submitted,

Howard Hunter
Representative Howard Hunter
Cochair

Leslie Winner
Senator Leslie Winner
Cochair

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON
EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES

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START STATEWIDE EVALUATION, THE PROFESSIONAL DEVELOPMENT OF DAY CARE PROVIDERS, THE SMART START AUTOMATED PAYMENT SYSTEM, AND THE T.E.A.C.H. PROGRAM SHALL NOT REVERT UNTIL JUNE 30, 1995, AND ANY FUNDS THAT MAY BE APPROPRIATED IN FISCAL YEAR 1994-95 TO BE ALLOCATED TO NEW SMART START PROJECTS TO BE ESTABLISHED DURING THE 1994-95 FISCAL YEAR SHALL NOT REVERT UNTIL JUNE 30, 1996, and Summary of Bill 65

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HISTORY OF COMMITTEE

The Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives, established by Article 12I in Chapter 20 of the General Statutes (Appendix A), is a permanent committee authorized to examine and monitor the Smart Start Program. Specifically, this Committee is charged with studying (i) the budget, programs and policies of each of the local Smart Start projects, (ii) implementation of the program by the N.C. Partnership for Children, Inc., (Partnership) and (iii) oversight of the program by the Department of Human Resources (DHR). The Committee was chaired by Senator Leslie J. Winner and Representative Howard J. Hunter, Jr. during 1993-94. The full membership of the Committee is listed in Appendix B. Lists of people attending Committee meetings, as well as Committee minutes, are contained in the Committee's records on file in the Legislative Library.

The Smart Start Program was authorized by Chapter 321 of the 1993 Session Laws. Relevant portions of Chapter 321 are included in Appendix C. Smart Start is designed to provide financial and other support for the Partnership, a nonprofit, public-private corporation whose mission is the development of a "comprehensive, long-range strategic vision for early childhood development and the provision, through public and private means, of high quality early childhood education and development services for children and families." The Partnership is directed to oversee the development of one local demonstration project in each of the 12 congressional districts. State funds allocated to the local demonstration projects are to be used to expand coverage and improve quality of child day care services, family- and child-centered services, including early childhood education and child development services, and other appropriate activities and services for child day care providers and for family- and child-centered services. The General Assembly appropriated $20,000,000 for the 1993-94 fiscal year and $27,640,000 for the 1994-95 fiscal year for the activities of the Partnership, State, regional, and local administrative costs, funding for local demonstration projects, and needs and resource assessments for counties not served by demonstration projects.

COMMITTEE PROCEEDINGS

The Joint Legislative Committee on Early Childhood Education and Development Initiatives met four times, including once in Ahoskie and once in Charlotte, to hear primarily from the Secretary of Human Resources, the Department of Human Resources, the North Carolina Partnership for Children, Inc., eight of the 12 local demonstration Smart Start projects selected in 1993, and three local planning committees from counties that were not selected in 1993 to be local demonstration Smart Start projects.

First Meeting -- January 28, 1994

The Committee held its initial meeting at the joint call of the cochairs. After the Committee adopted its operating budget and heard a brief review of the charge to the Committee, Secretary of Human Resources Robin Britt explained the Smart Start Initiatives and some of the developments in local communities where Smart Start is being implemented. A description of the Smart Start program is provided in Appendix D. Secretary Britt noted that North Carolina is a pioneer insofar as it is the only state to have launched a statewide effort on behalf of early childhood education and development. Six months since enactment, the impact of Smart Start has been felt. Infants and toddlers in day care centers are receiving better nurturing as a result of the lower staff-child ratios that went into effect January 1, 1994. In many Smart Start Counties, day care subsidy waiting lists are being eliminated and more families are receiving direct subsidies to help pay their day care cost. Day care teachers are benefiting from the T.E.A.C.H. Program which enables them to go back to school to obtain associate degrees.

An Inter-Agency Support Team has been formed among the State Departments to support Smart Start: the Department of Environment, Health and Natural Resources is implementing a new plan, Health Check, to fund with Medicaid dollars extensive screening and referrals for children from the time they are born until they are age 18; the Department of Public Instruction is offering training to local teams involving quality early childhood methods; librarians are talking about ways they can become involved; and the Department of Transportation has an existing federal-state program to provide matching funds to purchase vans for transportation.

The Secretary reported that the 12 Smart Start demonstration pilots are submitting short-term plans as to how they intend to spend the Smart Start funds. He also stated there is a lot of creativity and rethinking about how the State conducts business for young children and their families at the local level. Basically, communities are being empowered to come together and change entire systems of service delivery. Furthermore, many of the 82 counties that did not receive Smart Start funds are proceeding with initiatives on their own with various projects, and the business community is taking an active role across the State.

The next speaker, Mr. Jim Goodman, Chairman of the N.C. Partnership for Children, Inc., stated that it is the Partnership's job to provide the opportunity for affordable, high-quality, early childhood education for all North Carolinians. The community decides on its needs and is then aided with the funding for those particular needs. The Partnership's chief responsibility is to support the local partnerships and implement the process. Mr. Goodman explained procedures for selecting the 12 counties and for allocating funds. After the local partnerships are formed, they go through a strategic planning process and leadership training. The members of the Board of Directors for the Partnership is listed in Appendix E.

Mr. Walter Shepherd, Executive Director of the N.C. Partnership for Children, Inc., explained fundraising plans and future activities. He noted that attention is now being focused on the 18 counties selected for Smart Start, with a special commitment toward the remaining 82 becoming Smart Start Counties. The Partnership will aid these counties in preparing for Smart Start and provide the services for local groups to incorporate and develop local partnerships. He said corporations and foundations are preparing to donate funds. Also, businesses and others in the private sector, such as religious organizations, are promising to provide other types of support: personnel, leadership, publicity, the creation of corporate-run child care centers, and the development and distribution of materials about the importance of early childhood education.

Ms. Stephanie D. Fanjul, Deputy Director of the Division of Child Development, Department of Human Resources, explained some of the programmatic issues involved in the Smart Start Program. The Division of Child Development regulates child care facilities and day care homes in the state, manages and administers subsidized programs for low income children, and engages in development activities, which includes Smart Start. Ms. Fanjul explained the Smart Start timetable, which is provided in Appendix F. All counties received information in order to have an equal opportunity regarding applications for Smart Start. A copy of the Requests for Applications and a ranking of the counties that applied are included in Appendix G. After the Partnership Board recommended the 12 sites to Secretary Britt, Governor Hunt announced the selected counties. Appendix H includes a map of North Carolina showing the 12 sites, a chart of the percentage of children under the age of five who live in poverty in each of those locations, and a breakdown of the allocations to each project. County Collaboration Team meetings were held to develop short-term plans. At this time, 12 counties have submitted these plans to the Division and are now undergoing review process.

Dr. Micheline Malson, Director of the Division of Family Development, was the next speaker. She explained that the Division of Family Development was established to support N.C. families in their roles as economic providers, child-rearers and nurturers; promote the concept of family centeredness and its application to policy and service delivery in all DHR divisions; promote program models that serve families as a unit by coordinating and integrating human service delivery; establish family support services that enhance the ability of families to promote the well-being of members; and establish procedures to include families in policy decision-making. The Division wants to ensure that as early childhood and family programs are designed, the role of the family and the role of parents as the primary decision makers, nurturers, and child rearers is always prominent in the decisions they are making about services. The Division also wants to ensure parental involvement in local programs, in policy decision-making at the State level, and in Smart Start.

Dr. Richard M. Clifford, Director of the Division of Child Development, addressed some of the Smart Start initiatives. Resources will be provided to local communities with specific instructions that they develop from scratch the plans for improving services to young children and families in their communities. The fundamental goal is that every child will come to school healthy and ready to learn. Changes in the lives of children and families in local communities will reflect the way the money is spent. The evaluation also is a combination of State and local concerns. Actual activities that are occurring are substantially different from one community to another. This is a very positive sign that people are willing to try new and different actions toward making real differences in the lives of children and families.

Dr. Clifford reported that money was requested which would allow counties to provide subsidies to more families so that working poor families would have more access to affordable high quality child care. Funding also was requested to help counties provide programs for poor families with young children who need help but do not need child care. The initial 12 sites include 18 counties, which are twice the anticipated size. Smart Start was not able to fully allocate money to all the counties, with the large counties receiving well below the requested amount in the budget. In addition, the number of children in the counties are more than expected. Some counties are focusing on smaller groups of children who have the greatest needs, while other counties are spreading the money out over more children who receive less intensive services. Dr. Clifford said that the largest part of the money is not yet spent. A vast amount of planning is required in order to develop initiatives at the local level; that has been the focus of the effort over the last three months.

Next on the agenda were the following representatives of the Orange County Smart Start Team: Mr. John Walker, Chairman of the Board of Directors, Orange County Partnership for Young Children, and also Vice President/President Elect of United Way of N.C.; Michelle Reavis, Executive Director and Secretary; Ms. Sue Russell, Executive Director of the Day Care Services Association; Ms. Sue Russell; Ms. Anita Daniels, Vice President, and Executive Director from United Way; Ms. Ramsey Tremalgia, Director, Sycamore Preschool; Mr. Bob Lee, intern; and Mary Martin and Allison Gerard, interns from United Way. All of the speakers addressed the importance and difficulty of Orange County's collaboration efforts and strategic planning process to develop and implement plans to provide high quality early childhood education and developmental services for young children. Orange County has chosen to spend the largest portion of funds on subsidizing child care for low income families by pulling together all of the dollars from the various entities that provide funding for subsidies. Funds also are being used for expenses that are not included in a regular budget, such as the replacement of dishwashers and refrigerators in day care centers, and for a substitute pool initiative, which provides day care substitutes with training, benefits, and full-time salaries as incentives to remain substitutes and provide quality substitute care.

Next, the following representatives of the Cumberland County Smart Start Team spoke to the Committee: Mr. Louis Haneman, Cumberland County Partnership for Children, Inc., and also Vice President of Human Resources, NC Natural Gas; Ms. Rosie Bullard, Executive Director, Cumberland County Partnership; and Ms. Patricia Helslip, Board Member and Secretary, Cumberland County Partnership for Children. These speakers recognized the contribution of businesses in their county to Smart Start, particularly of their time. They emphasized the County's challenge in being able to spend the money in a timely fashion and to do the work committed. The Cumberland County Partnership is focusing on several options: expansion for Bridges Family Resource Centers; improving access to health care for preschool children; increasing high-quality day care for at-risk and special needs children; providing an opportunity for local day care centers/homes to upgrade standards through grants; providing developmentally appropriate day care for 200 poor children; piloting an innovative training program for day care workers through the public library; establishing a Child Care Resource Referral Center; targeting mothers with "Survival Skills" training; developing a strategy for empowering women to leave public assistance; expanding the County's Pre-K programs; and supporting family involvement activities.

Second Meeting -- March 30, 1994

The Committee held its second meeting in Ahoskie (Hertford County). Representative Howard Hunter, Cochair, presided and introduced the first speaker, Secretary Robin Britt, who presented the third quarterly report on the progress of Smart Start.

Next on the agenda were the following representatives of the Hertford County Smart Start Team: Ms. Alice Sharpe, Hertford County Partnership; Ms. Jane Burke, Assistant Team Leader, Hertford County Partnership, and Hertford County Schools; and Ms. Donna Madison, parent. Hertford County is focusing on Covey leadership training, public forums, affordable day care, 24-hour day care, transportation, children with special needs, the House Calls program, and family resource centers. The speakers estimated that a total of 2300 volunteer hours has been spent in putting together its plans.

The next speakers were from the Halifax County Smart Start Team: Dr. Alton Anderson, Team Leader and Chairman, Halifax County Partnership Board for Children; Ms. Lois Batten, Director, Halifax County Mental Health; and Mr. Jim Boehm, Director, Hertford-Gates District Health Department. They emphasized that selection as a Smart Start County was the beginning of new hope and vision of a better future for children and families in Halifax County. Support from local partnerships, Department of Human Resources, team-member families, as well as local commitment has been realized. Through planned retreats, Covey training and overall inclusiveness of the Smart Start Initiative, many barriers have been overcome and the future of children 0 to 5 years of age looks much brighter in Halifax County. They also stressed the need for assistance with the Head Start program, vital to the success of Smart Start and an initiative that will bring new dollars and opportunities for young people in eastern North Carolina, specifically Halifax County. Presently, there is no Head Start care in Halifax, Hertford, and Bertie Counties due to an organization that is not providing required services.

Reverend Jeff Pinkston, Pastor, Pollocksville Presbyterian Church, Co-Team Leader and Chairman of the Board, Jones County Partnership for Children, described the Jones County Smart Start Pilot Project. He told the Committee that the Smart Start process for Jones County has been a sense of triumph/despair, victory/loss, hope/dismay, as well as presenting a real opportunity for the children and families within the County. Jones County is large geographically, with a small number of citizens struggling to offer a variety of needed programs for all young children. Through collaborative teamwork with families, child care providers, government, organizations, businesses and integral agencies, the Jones County team has gained insights into the specific needs and resources of the County. Through commitment, the need to improve the quality of life in a poor rural area such as Jones County has been recognized. Smart Start offers an array of hope to an otherwise hopeless situation.

For the first time, all leaders in Jones County gathered to discuss issues relating to children. They also discussed issues that have little to do with the initial challenge to deal with 0-5 age population. They are beginning to explore and discuss ways in which this process can be expanded into other areas and address other needs. Rev. Pinkston noted some of the many areas of need in Jones County: public transportation; child care; extension of services; and health care. Although available services were discovered during the process, there existed a total lack of coordination of these services as far as pulling together and offering them in a compact and comprehensive process.

Money was found to be a secondary issue as the process of collaboration was explored. Although the County is appreciative of any funding, Rev. Pinkston said that it was dismayed as to the amount of funding (in the first year about $350,000 and in the long-term process about $400,000). Some of the areas of funding will include: a new facility; CPR classes for parents; Mental Health Specialist; Crisis Fund; in-home therapy; additional four-year-old pre-kindergarten classroom; and expansion of the Head Start program; creation of an environment for families where the needs for all young children can be addressed; providing resources; providing two vans; providing a Specialist in Child Care; expansion in terms of health care referrals and special needs referrals. He pointed out that one of the County's greatest accomplishments was when the Jones County Health Department presented an opportunity (for the short-term plan) to bring in on a contract basis a pediatrician or family practitioner.

Rev. Pinkston encouraged continued funding to provide the opportunity for other counties to enter into this process. Further, he requested consideration of small, rural counties with small populations where it is more expensive to provide services and care on a per person basis. He suggested looking at ways in which more responsibility of decision-making might be passed on to the local levels.

Dr. Donna M. Bryant, Director, Family & Child Care Research Program, Frank Porter Graham Child Development Center, explained the process and progress of the Smart Start Evaluation. She told the Committee that everyone on the evaluation team has been involved in extensive research with children and families. The team attempted to learn more about what individual counties were doing and then met to summarize information. She said the focus should be in two areas: to show that the counties did what they said they were going to do and delivered services to families; and to see whether families become any better at parenting, working and raising healthy families, and if the children show up at school ready to learn.

She also emphasized that the evaluation team does not participate in goal setting -- that has been done by the counties, the Department, and the Partnership. Some of the goals for Smart Start that have developed so far are: (1) children should arrive at school healthy and prepared to succeed; (2) parents need help being better parents; (3) parents should serve on Smart Start teams; (4) the Smart Start process should be "family friendly"; (5) the quality of existing programs should improve; (6) transportation needs should be addressed; and (7) community agencies and services need assistance in becoming more coordinated. Some of the ways they plan to measure the success of these goals include: (1) using the mandated kindergarten health assessment, now being collected on all children, as a source of data about the health status of all children as they enter kindergarten; (2) looking at decreases in the number of children who come to school with learning problems; (3) evaluating the amount and quality of training that teachers and family providers receive; (4) conducting interviews; and (5) performing site visits.

Dr. Clifford reported on the Smart Start program and budget issues. The Statewide level to lower staff/child ratios for infants and toddlers up to age 3 has met few problems; there are 3300 child care providers eager to implement this ratio. One million dollars has been funded to establish the T.E.A.C.H. Program, a program designed to improve training for people who work in child care programs. The Early Childhood Leadership Development Program (ECLDP) is a professional development program available to a wide range of health and human service professionals to help them develop leadership skills as well as identify persons with outstanding and strong knowledges about young children. A variety of immunization activities are being coordinated through the Department of Environment, Health, and Natural Resources.

A Needs and Resources Assessment is being conducted statewide in all North Carolina counties. The first phase has been completed by each county that applied to become a first year demonstration project; the second phase, which is currently under way, involves collection of more detailed information on needs and resources in every county; the third phase, to be initiated later this spring, will focus on more qualitative information about the perceptions of families and others in the community.

A Special Assistant for Educational Technology has been assigned to make developmentally appropriate technology available to counties. Also, a resource center is being developed to bring early childhood education software and hardware and to provide a training site for people to come see what is available and to provide guidance as they start to use the new technology. This resource center will be located in Raleigh, but will be mobile so that the resources can travel to the various Smart Start sites for demonstration and training. A training program on the use of technological equipment is being developed.

Dr. Clifford pointed out that the Division of Child Development has been involved with 400 different contracts for the 12 pilot sites. Over the last four months the demonstration projects have been involved in an intensive strategic planning process to design short-term and long-term plans. At this time, short-term plans for all 12 of the local projects have been approved, and money is flowing to them. Long-term plans are well under way. All 12 teams requested Covey leadership training to aid in the development of leadership and skills necessary to sustain collaborative strategies as well as thorough understanding about how individual organizations will need to evolve. The Covey training is now being provided to 11 of those teams.

Dr. Clifford discussed future directions and recommendations for the continuation of Smart Start, with a particular emphasis on infrastructure. The short-term plans have revealed a need for infrastructure support and development at the local level as well as a need for improvement of facilities for the development of staff training. The need to provide support in State government for facilitating work at the local level is also important.

There will be a request to the Short Session for an increase in the funding available to the larger counties within the current program that were not funded at the projected level. A plan in place that shows a mechanism for fully funding Smart Start over the next five years and bringing the current under-funded counties up to full funding during that period of time. Also, there will be a recommendation to fund an additional 12 new counties and projects.

Throughout the meeting, Committee members raised some of the following issues: whether time constraints for the short-term plans have caused counties to spend funds differently than if there had been a longer period of time for the start-up spending; the procedures and length of time to disburse funds; unused federal funds; whether Smart Start teams can deal with an expanded age range, such as addressing the needs of 6-16 year olds; whether local teams can handle decisions pertaining to other programs; whether, as a county qualifies and improves its rating, the cost of delivering services increases and, if so, how are these payments met?; and whether children of working families "fall through the cracks" because they do not qualify for services.

Third Meeting -- May 9, 1994

The Committee held its third meeting at Central Piedmont Community College in Charlotte. After a brief welcome by Mr. Tony Zeiss, President of Central Piedmont Community College, Senator Winner introduced the first speaker, Mr. Charles Bruner, a former Iowa State legislator and current Director of the Child and Family Policy Center, which he founded for the purpose of linking research in the area of family and child services to policy making. Mr. Bruner addressed Iowa's experience in reforming services to families and children, the development of grassroots changes in making social services more effective for children and families, and effective models of collaboration.

First, Mr. Bruner made observations about making child care more universally available, high-quality, and developmentally appropriate. While regulations and standards may be needed, most of what is needed to increase the supply and quality of child care cannot be supplied or delivered through regulatory frameworks. Most important is to increase the quality of child care. Most families can deal with a fragmented array of child care options and in fact prefer to have a variety of options. Affordability remains a key issue. Also, communities often have little idea of the child care needs and gaps until they ask consumers and providers. Providing universal child care in the long term is something with which our society has to come to grips.

Next, he discussed implications when trying to work with families whose children are at risk of starting to school not ready to learn. There are ways of being successful in identifying and working with these families. There are a lot of effective programs and services in N.C., although there probably is not the necessary supply available to reach all these families. Workers involved with families must have time to make contact with a family, build a relationship with the family, establish trust and help the family develop and achieve goals. To be effective, workers must deal with a family's needs as they see those needs, which takes time.

Iowa developed a system to work with families through different programs, often through different departments and agencies. Now, Iowa is asking why the well-being of children has not improved. Iowa had teen pregnancy programs, child abuse prevention programs, domestic abuse, and child development programs, but nothing seems to have changed. It is not that the programs themselves are ineffective, but that the number of families served is very small compared to the number of families who could use services. If the system is only serving 5% of the families who are in real need, then gains cannot be measured on a statewide or community wide level. It is important to look at assessments in terms of what is needed first and what families are to be served. Then try to develop strategies and resource to recognize this.

Consumer involvement, feedback, and participation are essential to success. The needs assessments are important; child care and the quality of staff and providers is critical. True components of success need community-developed approaches to ensure that every family is linked to the supports, including health, child care, and parenting support, needed to assure school readiness.

Mr. Bruner then addressed what can be done at the State level to make it easier for communities to provide integrated services. He said Iowa estimated a cost of $50 million annually to provide this type of work for all of its families. Iowa already was providing about $15 million of it through a variety of programs and services. The challenge is those 25 programs that are providing some or all of this developmental support at the community level have to be coordinated and, in some instances, integrated. At the community level, families must be able to find what they need through assistance. If there is a State and federal system that provides all funding through categorical screens, it limits the capacity of the community to develop a sensible plan. The State can provide support and facilitation in getting around what can be barriers in the area of categorical funding. The State can provide technical assistance and support in some of the issues about how this gets done and how it makes sense. Also, communities can help one another, network, and build upon what has worked in one area.

Next on the agenda were the following individuals from the Mecklenburg County Smart Start Team: Mr. Bob Alley, Duke Power; Meg Sawicki, parent; and Ms. Jane Meyer, Director, Dilworth's Child Care Center. They reported their Team intends to continue every project of its short term plan, which will account for about 83% of the service dollars requested in the next phase. The short-term plans, which are in the process of being implemented, are beginning to make a difference in the community. In particular, Mecklenburg County has focused on improving access to and quality of child day care because of the high number of children being raised away from home and in day care, and on increasing the pool of qualified day care teachers, who currently are impossible to find because of the low pay. They have reduced the number of children on their waiting list for subsidized care by placing 411 in care with Smart Start dollars. Their goal is to place 550 children over the next year and to maintain their waiting list at that level. The AAA Plus program, which provides incentives for increased training for child care workers, is having great success.

They have increased eligibility for child care subsidies and allowed these families to become more self-sufficient; extended eligibility for current recipients of subsidized care; worked with 32 teenage mothers to make them eligible for subsidized care on their own so they can get off the waiting list; ordered a medical van to take medical services, immunizations, developmental screening, WIC screening, and education and information services to underserved neighborhoods; trained professionals in child care centers to prepare them better to work with children with special needs; tried to increase the number of child care settings that are interested in participating in inclusion; and brought together the Head Start program, the school system, child care resources, and the Partnership to talk about the melding of financial resources.

Future plans include expanding screening services for children with emotional and behavioral problems; training of child care professionals and child care staff and providers in the prevention of infectious disease; increasing participation of parents in decision making roles for their children; leadership training for parents, including information about sound child development; and a comprehensive public relations, media campaign, designed to teach the community about sound child development and the importance of early years of children.

The speakers recommended (1) expanding Smart Start into additional counties, (2) revising the funding formula to take into account the size of the program the organization is asked to run, the market in which that organization is operating, and the job that Partnership is being asked to do, (3) moving Mecklenburg County closer to 100% funding, and (4) continuing the program's commitment to collaboration.

Ms. Shelia Hoyle and Ms. Lois Sexton, from the Region A Smart Start Team were the next speakers. Region A includes Jackson, Haywood, Macon, Swain, Cherokee, Clay and Graham Counties. Initially, they focused on transportation in their rural communities where transportation many times is the barrier of good service delivery, and purchased 19 vehicles to assist with service delivery.

They developed additional resources to go into eight area health departments to provide services to address very serious health needs of the children 0 to 5. In some counties, this included delivery of primary services, such as dental services, speech therapy, physical therapy, services to pregnant women. In some counties, they provided an outreach worker so families could take advantage of services that were already available to families that did not understand about services nor did they know how to access services that were there. In others, it involved adding a public health nurse who would work directly with early childhood programs to assure that children received access to health programs as they came into group child care.

Region A worked hard to develop a comprehensive and interwoven approach to subsidized child care program. They addressed quality through enhancement of rates. They moved providers who were willing to show that they would increase their quality to the State market rate. And they offered an incentive program for providers who had reached the AA standard or providers who would reach NAEYC accreditations standards. They increased income eligibility guidelines for families who were working poor and needed to be served by the subsidized child care system. They created some new target populations to better serve teen moms, parents in training, special needs children, and a category of children who are potentially at risk.

They have found the collaboration to be the most exciting part of Smart Start because it allows improved service delivery by addressing the fragmented system. They also are excited about the enhanced opportunities for parental involvement. They believe the Region A collaboration of counties works because so many of their systems work on the seven-county model.

Ms. Joyce Mills, President, Burke County Partnership for Children, and Director, United Way of Burke Co., was the next speaker. As part of a needs assessments they did before being selected as a Smart Start County, they knew they had over 2000 children that did not have access or were without licensed and registered child care. That meant that they were probably somewhere because over 71% of their mothers with children under 6 who are working. They had very little infant day care available in their community. Quality, when they began a survey of parents, was a real concern.

They used their start-up money for child care centers to improve quality, do renovations, and provide additional slots. They still have no sick day care and only two AA centers. Smart Start is helping those two centers become nationally accredited. Two other facilities, one of which is in their Head Start program, are moving to the AA standard.

Their biggest problem was transportation. They have added three vans to their recently-formed transit authority. An additional goal is to get children immunized - 40% of their 2-year olds are not immunized. Another goal is to improve communication with a diverse non-English speaking population. They hope to have an interpreter to be on call for their DSS, Health Department, and hospital. They plan to have family resource centers in at least three areas of the county that feel like they are not part of Burke County. These centers will be where people can get services - the library bookmobile, DSS, the Health Department, the Literacy Council. Finally, they have a great need for parent and child worker training, and are working hard to provide some training to parents in a format that they can accept.

Next on the agenda were Ms. Linda Graney, member, Buncombe County Partnership for Children; Mr. Donald G. Hayes, Catawba County; Mr. John Hamley, parent, Catawba County; and Ms. Susan Hamley, Director, Women's Health Education Center at Catawba Hospital, Catawba County. These speakers represented two counties that applied but did not receive Smart Start funding.

They encouraged the Committee to continue and expand Smart Start because they believe it is based on wonderful principles - it must be client-centered, there must be collaboration, there must be integration of services. When they learned they were not selected in the first round, they felt they had created some wonderful dialogue among diverse people that must be continued, and they wanted to try to implement some of what they had included in their proposals, with or without Smart Start funds. In Catawba County, they created a countywide child advocacy council, established a quality resource referral service, launched an ambitious immunization program, visited every child care center in the county and educators, physicians, people who are expecting children, those who have delivered children, who have and have not had prenatal care, clergy, and others to get their personal input as far as what they think can be done.

Mr. Walter Shepherd, Executive Director, N.C. Partnership for Children, Inc., was the next speaker. He presented the Partnership's report on its activities during the third quarter: January-March, 1994. He reported that the Partnership has adopted a vision statement, guiding principles, mission statement, and five goals. These are included in Appendix I.

The next speaker was Mr. Peter Leousis, Director, Office of Policy Development and Research, Department of Human Resources. He presented a summary of the fiscal trends for Smart Start for the next five years and the 1994-95 budget figures for the program. He stated that DHR is requesting $27,236,282 for the 1994-95 fiscal year, of which $18,440,535 would expand Smart Start to 12 new sites and $8,795,747 would adjust for inflation the amount originally budgeted for 1994-95. A chart entitled "1994-95 Budget Figures for Smart Start" is provided in Appendix J. The Committee approved a motion to endorse this budget request as one of its recommendations to the 1994 Session of the 1993 General Assembly.

Next, Ms. Robin Johnson, Committee Counsel, and Mr. Leousis, explained draft legislation that incorporated DHR's proposed legislative changes to Smart Start. The Committee approved this legislation to be included in its recommendations to the 1994 Session of the 1993 General Assembly.

Fourth Meeting -- May 18, 1994

The Committee held its last meeting on May 18, 1994, and adopted this report, including its recommendations, to the 1994 Session of the 1993 General Assembly.

FINDINGS AND RECOMMENDATIONS

RECOMMENDATION I: **The Committee recommends expanding the Smart Start program to additional counties. The Committee endorses the Governor's and DHR's budget request of $27,236,282 for fiscal year 1994-95 to continue and expand the program.** This includes endorsing the request for $8,795,747 for fiscal year 1994-95 to make adjustments to the amount already budgeted for this fiscal year for the Partnership and the original 12 sites and the request for $18,440,535 for fiscal year 1994-95 to fund 12 new demonstration projects.

Even though the Smart Start program is in its first year of operation and this Committee, therefore, has limited information as to its ultimate benefit for young children, the members find that every speaker was enthusiastic about what this program has done already to benefit North Carolina's young children and their families. They also were fervent supporters of Smart Start's potential benefits. In particular, there was unanimous agreement that the greatest benefit, and also the most difficult aspect, of Smart Start has been the opportunity for collaboration at the local level. Even the two counties that failed to be selected for the first round of demonstration projects have proceeded with local-level collaboration.

The Committee also finds that the appropriation for the 1993-94 fiscal year has been used for a variety of appropriate activities and services. Some of these include: raising the income eligibility for child care subsidies, reducing waiting lists for these subsidies, providing incentives to improve the quality of existing child care, services for children with special needs, leadership training, literacy programs, crisis assistance for families, family resource centers, providing health services, purchasing vans and mobile health units, and publicity.

Finally, the Committee has reviewed the proposed plan to evaluate the Smart Start program. The members believe the methods that will be used to identify and measure program goals, both at the State and local levels, are appropriate and will lead to useful information on which to determine the program's effectiveness and on which to base future decisions.

RECOMMENDATION II: **The Committee recommends that the General Assembly enact AN ACT TO PROVIDE THAT FUNDS APPROPRIATED TO BE ALLOCATED TO THE 12 LOCAL SMART START PROJECTS ESTABLISHED DURING THE 1993-94 FISCAL YEAR SHALL NOT REVERT UNTIL JUNE 30, 1995, FUNDS APPROPRIATED IN FISCAL YEAR 1993-94 TO BE ALLOCATED FOR THE SMART START STATEWIDE EVALUATION, THE PROFESSIONAL DEVELOPMENT OF DAY CARE PROVIDERS, THE SMART START AUTOMATED PAYMENT SYSTEM, AND THE T.E.A.C.H. PROGRAM SHALL NOT REVERT UNTIL JUNE 30, 1995, AND ANY FUNDS THAT MAY BE APPROPRIATED IN FISCAL YEAR 1994-95 TO BE ALLOCATED TO NEW SMART START PROJECTS TO BE ESTABLISHED DURING THE 1994-95 FISCAL YEAR SHALL NOT REVERT UNTIL JUNE 30, 1996.** (Appendix K)

One issue that concerns the Committee is the short amount of time local partnerships had this past year to develop their short-term plans, and, thus, to spend their allocations. The Department did not start to release funds to the local partnerships until early 1994. Consequently, the members do not think the local partnerships have had sufficient time to spend these funds. Secondly, to assist future partnerships in their first years to make decisions on spending their funds appropriately and effectively, the members believe the partnerships should be allowed to retain their first-year funds for an additional fiscal year. This should encourage local partnerships to take the time that is necessary to collaborate fully in order to identify needs and resources and to develop creative, long-reaching plans that use the allocations to (i) integrate and enhance existing services for children and their families and (ii) create new programs where there are assessed needs.

RECOMMENDATION III. The Committee recommends that the General Assembly enact AN ACT TO IMPLEMENT RECOMMENDATIONS OF THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES TO CHANGE THE SELECTION PROCESS FOR LOCAL DEMONSTRATION PROJECTS, TO ALLOW THE DEPARTMENT OF HUMAN RESOURCES TO DELEGATE CONTRACTING AUTHORITY TO LOCAL PARTNERSHIPS, THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC., OR A PUBLIC OR GOVERNMENTAL ENTITY, TO REQUIRE LOCAL PARTNERSHIPS TO BE NEWLY-FORMED ORGANIZATIONS, TO CLARIFY THE USE OF STATE FUNDS BY LOCAL PARTNERSHIPS, TO PROVIDE THAT STATE FUNDS SHALL NOT SUPPLANT CURRENT EXPENDITURES BY COUNTIES ON BEHALF OF YOUNG CHILDREN AND THEIR FAMILIES, AND TO MAKE TECHNICAL CHANGES TO THE LAW GOVERNING THE EARLY CHILDHOOD INITIATIVES. (Appendix L)

The Committee endorses the Department's request to make clarifying changes to the statute that governs the Smart Start program. In particular, the members agree the statute should be more specific as to how local partnerships can use their allocations while retaining the flexibility to meet their assessed needs. The Committee recognizes that the work related to contracting has been a heavy burden on the Department; however, the members caution that the Department should not delegate this authority unless a local partnership has received appropriate technical assistance and has the resources to take on this task. Finally, the members note that some congressional districts have fewer counties than other districts. While they believe the initial selection of projects was distributed appropriately among the 12 congressional districts, they adopt the Department's request to modify the distribution of any future projects so that it is based on the State's geography rather than on the congressional districts.

APPENDIX A

ARTICLE 12I.
Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives.

§ 120-70.90. Creation and membership of Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives.

The Joint Legislative Oversight Committee on Early Childhood Education and Development Initiatives is established. The Committee consists of 12 members as follows:

(1) Six members of the Senate appointed by the President Pro Tempore of the Senate; and
(2) Six members of the House of Representatives appointed by the Speaker of the House of Representatives.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except the terms of the initial members, which begin on appointment and end on the day of the convening of the 1995 General Assembly. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until his successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

§ 120-70.91. Purpose and powers of Committee.

(a) The Committee shall examine, on a continuing basis, the Early Childhood Education and Development Initiatives established by Section 254 of Chapter 321 of the 1993 Session Laws, in order to make ongoing recommendations to the General Assembly on ways to improve the provision of these programs and services. In this examination, the Committee shall study the budgets, programs, and policies of the 12 local projects, their development and implementation by the North Carolina Partnership for Children, Inc., and their oversight by the Department of Human Resources, to determine whether to recommend that the General Assembly should continue the Initiatives, expand them, or make them statewide and, if the Initiatives are continued, expanded, or made statewide, continue to study the budgets, programs, and policies of the Initiatives, their continued development and their oversight, to determine how to enable the Initiatives to provide the best, most cost-effective, and most equitable early childhood education and development services within the scope of the Initiatives' services and programs.

(b) At the same times and intervals the Department reports to the General Assembly pursuant to Section 257 of Chapter 321 of the 1993 Session Laws, the Department shall report to the Committee on the implementation of the Initiatives. After the final report presented pursuant to Section 257, the Department shall continue to report to the Committee every three months. If the Initiatives are discontinued, the Committee terminates.

(c) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

"§ 120-70.92. Organization of Committee.

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Committee. The Committee shall meet at least once a quarter and may meet at other times upon the joint call of the cochairs.

(b) A quorum of the Committee is seven members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

(d) The Legislative Services Commission may allocate monies from available funds for the work of the Committee.

APPENDIX B

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES
MEMBERSHIP LIST
1993 - 1994

President Pro Tempore's Appointments

Sen. Leslie J. Winner, Co-Chair
2120 Greenway Avenue
Charlotte, NC 28204
(704) 376-8201

Sen. Austin M. Allran
P. O. Box 2907
Hickory, NC 28603
(704) 324-5200

Sen. J. Richard Conder
P. O. Box 1627
Rockingham, NC 28379
(910) 997-5551

Sen. C. R. Edwards
1502 Boros Drive
Fayetteville, NC 28303
(910) 488-9358

Sen. Russell G. Walker
1004 Westmont Drive
Asheboro, NC 27203
(910) 625-2574

Sen. Marvin Ward
641 Yorkshire Road
Winston-Salem, NC 27106
(910) 724-9104

Speaker's Appointments

Rep. Howard J. Hunter, Jr., Co-Chair
P.O. Box 506
Murfreesboro, NC 27855
(919)398-5630

Rep. Joanne W. Bowie
106 Nut Bush Dr. E.
Greensboro, NC 27410
(919)294-2587

Rep. Ruth M. Easterling
901 Queens Rd., Apt. 2
Charlotte, NC 28207
(704)375-5934

Rep. Brad Miller
4006 Barrett Drive
Raleigh, NC 27609
(919)881-9609

Rep. Edd Nye
P.O. Box 8
Elizabethtown, NC 28337
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Rep. Carolyn B. Russell
304 Glen Oak Drive
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Staff:

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(919) 733-4910

Ms. Robin Johnson
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(919) 733-2578

Clerk:

Ms. Lillie Pearce
(W) (919) 733-5746

APPENDIX C

Section 254 of Chapter 321 of the 1993 Session Laws, as amended by Chapter 561 of the 1993 Session Laws

Sec. 254. (a) Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 10B. Early Childhood Initiatives.

"§ 143B-168.10. Early childhood initiatives; findings.

The General Assembly finds, upon consultation with the Governor, that every child can benefit from, and should have access to, high-quality early childhood education and development services. The economic future and well-being of the State depend upon it. To ensure that all children have access to quality early childhood education and development services, the General Assembly further finds that:

(1) Parents have the primary duty to raise, educate, and transmit values to young preschool children;

(2) The State can assist parents in their role as the primary caregivers and educators of young preschool children; and

(3) There is a need to explore innovative approaches and strategies for aiding parents and families in the education and development of young preschool children.

"§ 143B-168.11. Early childhood initiatives; intent; North Carolina Partnership for Children, Inc.

It is the intent of the General Assembly, upon consultation with the Governor, to support through financial and other means, the North Carolina Partnership for Children, Inc., a nonprofit corporation which has as its mission the development of a comprehensive, long-range strategic plan for early childhood development and the provision, through public and private means, of high-quality early childhood education and development services for children and families.

"§ 143B-168.12. Early childhood initiatives; North Carolina Partnership for Children, Inc.; conditions; powers and duties; local demonstration projects; statewide needs and resource assessment; rule making; reporting requirements.

(a) As a condition for receiving funds appropriated to the North Carolina Partnership for Children, Inc., members of the Board of Directors of the North Carolina Partnership for Children, Inc., shall consist of four ex officio members and 29 appointed members. The four ex officio members shall be the Secretary of the Department of Human Resources, the Secretary of the Department of Environment, Health, and Natural Resources, the Superintendent of Public Instruction, and the President of the Department of Community Colleges. The appointed members shall be appointed as follows: six by the Speaker of the House of Representatives, six by the President Pro Tempore of the Senate, and 17 by the Governor. Each of the members appointed by the President Pro Tempore of the Senate shall reside in a separate one of the following congressional districts: 1st, 3rd, 5th, 7th, 9th, and 11th. Each of the members appointed by the Speaker of the House of Representatives shall reside in a separate one of the following congressional districts: 2nd, 4th, 6th, 8th, 10th, and 12th. Four of the members appointed by the Governor shall be members of the party other than the Governor's party.

As a further condition for receiving funding, the North Carolina Partnership for Children, Inc., shall agree that it shall adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department. The corporation shall be subject to audit and review by the State Auditor pursuant to Article 5A of Chapter 147 of the General

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Statutes. The State Auditor shall conduct annual financial and compliance audits of the corporation.

(b) As a condition for receiving funding appropriated to it, the North Carolina Partnership for Children, Inc., shall oversee the development and implementation of 12 local demonstration projects. Each demonstration project shall be coordinated by a new local, private, nonprofit 501(c)(3) organization responsible for developing a comprehensive, collaborative, long-range plan of services to children and families in the service-delivery area. The board of directors of each local nonprofit organization shall consist of members including representatives of public and private nonprofit health and human service agencies, day care providers, the business community, foundations, county and municipal governments, local education units, and families. The Department of Human Resources, in cooperation with the North Carolina Partnership for Children, Inc., may specify in its requests for applications the local agencies that shall be represented on the Board.

As a further condition for receiving funding, these local nonprofit organizations shall agree that they shall adopt procedures for their operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department. The organizations shall be subject to audit and review by the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the organizations.

The Department of Human Resources shall develop a statewide process, in cooperation with the North Carolina Partnership for Children, Inc., to select the local demonstration projects. The 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district.

An existing local, private, nonprofit 501(c)(3) organization in the community may apply to serve as the coordinator of a demonstration project if the governance of the project meets the objective of decision making by a broad range of public and private health and human services providers.

(c) Funds appropriated to be allocated to the local demonstration projects for services to children and families shall be used to expand coverage and improve the quality of services. These funds shall not be allocated to any local demonstration project until the Secretary of the Department of Human Resources, upon recommendation of the North Carolina Partnership for Children, Inc., has approved this local allocation. All local plans shall be approved by the Secretary.

(d) Funds appropriated to support the local strategic planning process and activities of the North Carolina Partnership for Children, Inc., the local nonprofit organizations, and start-up and related activities shall be available for these purposes upon the effective date of enactment of this Part.

(e) Communities shall be given the maximum flexibility and discretion practicable in developing their plans. Depending on local, regional, or statewide needs, funds may be used to support activities and services that shall be made available and accessible to providers, children, and families on a voluntary basis. These activities and services may include:

(1) Child day care services, including:
    a. Start-up funding for day care providers;
    b. Assistance to enable child day care providers to conform to licensing and building code requirements;
    c. Needs and resources assessments for child day care services;
    d. Child day care resources and referral services;
    e. Enhancement of the quality of child day care provided;
    f. Technical assistance for child day care providers; and

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g. Evaluation of plan implementation of child day care services;

(2) Family- and child-centered services, *including early childhood* education and child development services, including:

a. Enhancement of the quality of family- and child-centered services provided;

b. Technical assistance for family- and child-centered services;

c. Needs and resource assessments for family- and child-centered services;

d. Home-centered services; and

e. Evaluation of plan implementation of family- and child-centered services; and

(3) Other appropriate activities and services for child day care providers and for family- and child-centered services, including:

a. Staff and organizational development, leadership and administrative development, technology assisted education, and long-range planning; and

b. Procedures to ensure that infants and young children receive needed health, immunization, and related services.

(f) The Department of Human Resources, in cooperation with the North Carolina Partnership for Children, Inc., shall develop a needs and resource assessment for each county. Of the funds appropriated to it to implement this Part, the Department may make available funds to each county for one year to an appropriate private nonprofit entity or to the county to perform this assessment.

(g) The Department of Human Resources, in cooperation with the North Carolina Partnership for Children, Inc., shall adopt any rules necessary to implement this section, including rules to ensure that no State funds or local funds used to supplant these State funds shall be used for personnel sick leave and annual leave benefits not allowed to State employees.

(h) The Department of Human Resources shall report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii) to the General Assembly and the Governor by April 1, 1994, and by March 1, 1995, on the ongoing results of all the local demonstration projects' work, including all details of the use to which the allocations were put, and on the continuing plans of the North Carolina Partnership for Children, Inc., and of the Department of Human Resources, together with legislative proposals, including proposals to implement the program statewide."

(b) Of the funds appropriated to the Department of Human Resources, the sum of twenty million dollars ($20,000,000) for the 1993-94 fiscal year and the sum of twenty-seven million six hundred forty thousand dollars ($27,640,000) for the 1994-95 fiscal year to implement subsection (a) of this section. From the funds appropriated by this subsection, the Department shall provide funds for services prescribed in subsection (a) of this section, for necessary State, regional, and local administration of this Part, and for the activities of the North Carolina Partnership for Children, Inc., consistent with the provisions of subsection (a) of this section.

(c) Effective January 1, 1994, G.S. 110-91(7) reads as rewritten:

"(7) Staff-Child Ratio. -- In determining the staff-child ratio, all children younger than 13 years shall be counted. The Commission shall adopt rules regarding staff-child ratios, group sizes and multi-age groupings for each category of facility other than for infants and toddlers, provided that ~~such~~ these rules ~~and regulations~~ shall be no less stringent than those currently required for staff-child ratios as enacted in Section 156(e) of Chapter 757 of the 1985 Session Laws. The staff-child ratios and group sizes for infants and toddlers shall be no less stringent than as follows:

Age	Ratio	Group Size
0 to 12 months	5	10
12 to 24 months	6	12
2 to 3 years	10	20."

(c1) Notwithstanding any other provision of law to the contrary, religious sponsored facilities operating under G.S. 110-106, and not receiving any State or federal child care subsidies, including subsidies paid by the State or local service agency directly to the facility or to the parent of a child enrolled in the facility, shall have until June 30, 1994, to comply with the lower staff-child ratios for children under age 3 if the religious sponsored facility files with the Department of Human Resources a notice of intent to delay compliance with the ratios and a statement of assurance that the facility will not accept any public child-care subsidy funds until compliance with the ratios is achieved. All religious sponsored facilities shall comply fully with the provisions of G.S. 110-91(7) by July 1, 1994.

(d) Of the funds appropriated to the Department of Human Resources the sum of one million four hundred thousand dollars ($1,400,000) for the 1993-94 fiscal year and the sum of two million two hundred sixteen thousand two hundred ninety-three dollars ($2,216,293) for the 1994-95 fiscal year, shall be used to increase the reimbursement rate for day care providers to implement subsection (c) of this section.

Section 255 of Chapter 321 of the 1993 Session Laws

Sec. 255. Counties participating in the Early Childhood Education and Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the General Statutes, if enacted by the 1993 General Assembly by the effective date of this act, may use the county's allocation of State and federal child care funds to subsidize child care according to the county's Early Childhood Education and Development Initiatives Plan as approved by the Department of Human Resources. The use of federal funds shall be consistent with the appropriate federal regulations. Day care providers shall, at a minimum, comply with the applicable requirements for State licensure or registration pursuant to Article 7 of Chapter 110 of the General Statutes, with other applicable requirements of State law or rule, including rules adopted for nonregistered day care by the Social Services Commission, and with applicable federal regulations.

Section 257 of Chapter 321 of the 1993 Session Laws

Sec. 257. (a) The General Assembly finds, in consultation with the Governor, that it is essential to begin to develop comprehensive programs that provide high quality early childhood education and development services locally for children and their families. The General Assembly also finds that it is equally essential that these programs be developed in a manner that will provide both quality assurance and performance-based accountability to the children, their families, their communities, and the State.

(b) The Department of Human Resources shall develop and implement a performance-based evaluation system to evaluate the Early Childhood Education and Development Initiatives authorized by Part 10B of Article 3 of Chapter 143B of the General Statutes, if enacted. The Department shall design this system:

(1) To incorporate the elements of a formative evaluation, including process and efficiency studies, and of a summative evaluation, including outcome and effectiveness studies, in order to:
  a. Provide information to the Department and to the General Assembly on how to improve and refine the Programs;
  b. Enable the Department and the General Assembly to assess the overall quality and impact of the existing Programs and any future ones; and
  c. Enable the Department and the General Assembly to determine whether to make the Early Childhood Education and Development Initiatives statewide;

(2) To focus the Programs, as they develop and continue, on quality assurance, by making quality a central and on-going priority and to ensure that quality improvement efforts address outcomes, such as functions and processes, rather than persons, specific details, or paperwork;

(3) To use reliable statistical methods to measure performance of processes, functions, efforts, and outcomes, which methods shall allow adequate tracking of children and families through the program and into the school system, in order to provide a real, objective measure of the outcome of the Programs; and

(4) To provide a detailed fiscal analysis of the use to which State funds for these Programs are put.

(c) The Department shall report to the General Assembly by October 1, 1993, on the system it has developed, prior to the beginning of the system's implementation. It shall report every three months after that date on the implementation of the system and on the cumulative results of the evaluations as they occur. The Department shall present a final cumulative report to the General Assembly by February 1, 1995.

APPENDIX D

Smart Start

North Carolina Early Childhood Initiative

North Carolina is about to embark on a bold, new crusade for children. Called Smart Start, this comprehensive initiative is designed to provide every child in North Carolina who needs it access to affordable, quality early childhood education and other crucial services. Proposed by Governor Jim Hunt and enacted by the 1993 General Assembly, the initiative targets children from birth to five years old to ensure they come to school healthy and ready to learn.

The Challenge

North Carolina is failing its children. Our state ranks 39th in the nation—among the 12 worst states—on the health and well-being of children, according to the national *Kids Count Data Book.*

Every day in North Carolina three babies die, 67 children are abused or neglected, 45 families are started by teens and 38 teenagers drop out of high school, according to the N.C. Child Advocacy Institute's *1993 Children's Index.* Juvenile crime is on the rise, with North Carolina's 6.9 percent increase being more than twice the national increase of 3.4 percent.

Nearly 20 percent of North Carolina children under age five live in poverty, the highest rate of poverty for any segment of our population. Eighty percent of the inmates in our prisons today grew up in poverty.

More than 65 percent of North Carolina mothers with children under the age of six work outside the home. That's one of the highest percentages of working mothers in the United States.

The number-one concern of young families today is quality child care.

Current services for children and families are fragmented and often fail to help families take control of their lives.

What Works

The most important thing we can do for North Carolina's long-term economic development is to help children get the best start in life. A world-class work force requires world-class skills which, in turn, require children to come to school ready to learn.

Extensive studies, including a 15-year study by the nationally acclaimed Frank Porter Graham Child Development Center, have proven that early childhood education works. The Frank Porter Graham study found that even at age 15, you still can see substantial, meaningful differences in achievement resulting from quality day care at an early age.

High-quality early childhood education is the single-most cost-effective way to ensure our future economic development and prosperity. Every dollar spent now on early childhood education will save more than $7 down the road in remedial education, welfare, prisons and crime.

Smart Start

The goals of Governor Hunt's initiative are:

- Early childhood education and other crucial services will be available for every child who needs them.
- Early childhood programs and family services will meet high-quality standards and performance measures.
- Parents and families will be involved in early childhood programs. Healthy, nurturing families are the foundation of positive child development and growth.

Smart Start includes three key components which are designed to ensure that every child has access to high-quality, developmentally appropriate, affordable early childhood services:

✓ Immediate, statewide early childhood services for all children

The initiative improves standards and incentives for early childhood programs across North Carolina and will make child care more affordable for working families. This comprehensive package will:

- lower child care staff ratios for infants and toddlers to no greater than the following:

Age	Ratio	Group size
Birth - 12 months	5	10
12 - 24 months	6	12
2 - 3 years	10	20

- expand state staff who monitor and assist child care centers/registered homes.
- increase (on a sliding scale) the amount of child care tax credit that can be claimed by families earning less than $40,000.
- provide $1 million to help day care workers get training at community colleges through the TEACH (Teacher Education and Compensation Helps) program.
- ensure that within three years all children (birth to age 5) are fully immunized (Infants up to one-year-old are already covered by Medicaid).
- provide additional matching funds for the federal At-Risk Child Care Grant.

✓ North Carolina Partnership for Children

Smart Start establishes a nonprofit public-private partnership to set statewide goals for the quality of life of children in North Carolina and to map out a comprehensive blueprint for improving early childhood education, health care, and other crucial services. The partnership will bring together North Carolina leaders—from business, government, education, churches, nonprofits, communities and child and family advocacy groups—outside the framework of government to develop a collaborative strategy to serve children and families. It will be a catalyst for bold change in communities through local, nonprofit public-private partnerships.

The partnership will:

- set statewide goals for the quality of life for children.
- map out a comprehensive blueprint of services for children.
- develop benchmarks for specific, measurable performance.
- seek applications from interested counties to serve as demonstration partnerships.
- showcase existing programs that promote collaboration and quality of services.
- mobilize public support for change.
- recommend 12 initial partnerships from among the applications (one in each Congressional district) based on recommendations from a panel of early childhood experts. The remaining 88 counties would be phased in over the next few years.
- monitor and hold local partnerships accountable for quality services.
- report to the General Assembly quarterly on the progress of the initiative and recommend a process for future expansion statewide.

✓ Local Partnerships for Children

Once the 12 model partnerships are chosen, teams from those counties will participate in an intensive process to develop a plan for children and families in their communities. This county collaboration process will help each team detail the needs of children and families in their counties and craft local plans to meet those needs.

The local plans, at the discretion of each team, might include funds for appropriate child development services, parenting education programs, home visits to help families, renovations of facilities to meet building code and licensing standards, health care initiatives, or other strategies designed to help children and strengthen and empower their families. Each plan must assure high-quality services.

Once the team has developed a draft plan, it will work through the collaboration process to determine opportunities and potential barriers to its implementation, how new and existing resources can best be allocated to support the plan, who should be involved, how responsibilities will be shared, how accountability will be ensured, and how goals and results will be communicated.

As each county moves to implement its plan, it will create a local partnership for children. The board of this nonprofit, private partnership must include representatives from public and private nonprofit organizations, health and human service agencies, child care providers, the business community, foundations, county and municipal governments, local school systems and families. The board must reflect the same diversity as each planning team. Each partnership will receive $100,000 for administrative and operating costs and will oversee and coordinate the implementation of the local plan.

The Cost

While new funding is necessary to assure high-quality programs, the initiative will work toward a collaboration of existing services, such as libraries, health and mental health departments, Head Start, volunteers, mentors, and public school services. It seeks the most effective use of existing resources. In turn, the state will work with counties, businesses, foundations, and nonprofits to defray overall costs of the initiative. Federal dollars will also be used.

A breakdown of costs follows:

Immediate early childhood measures to benefit children in all counties	**1993-'94**	**1994-'95**
Lower child care staff/child ratios for infants & toddlers	$1.4 million	$2.2 million
Expand staff who monitor & provide assistance to child care centers and homes	$300,000	$438,672
Provide training for day care workers	$1.0 million	0
Increase amount of child care tax credit that can be claimed by families earning less than $40,000	0	$3.7 million*
Ensure that all children are fully immunized	$3.5 million	$7.2 million
Provide matching funds for At-Risk Child Care Grant	$126,000	$186,200
Subtotal	**$6.3 million**	**$13.7 million**

* Estimated revenue loss.

N.C. Partnership for Children/ Local Partnerships *(projected allocations)*	**1993-'94**	**1994-'95**
Direct Services (12 counties, one-time start-up costs, county administration for direct services)	$12.9 million	$23.4 million
N.C. Partnership for Children (staff & operational expenses)	$600,000	$600,000
Local Partnerships for Children (staff & operational expenses, 12 counties, strategic planning process)	$1.9 million	$1.2 million
Quality & Accountability (Evaluation system, resource & referral services, state administration,* assessments of local needs & resources,* automated payment system,* technology-based education & innovative learning, leadership development,* staff development*)	$4.6 million	$2.4 million
Subtotal	**$20 million**	**$27.6 million**

*Services for all counties

Total	$26.3 million	$41.3 million

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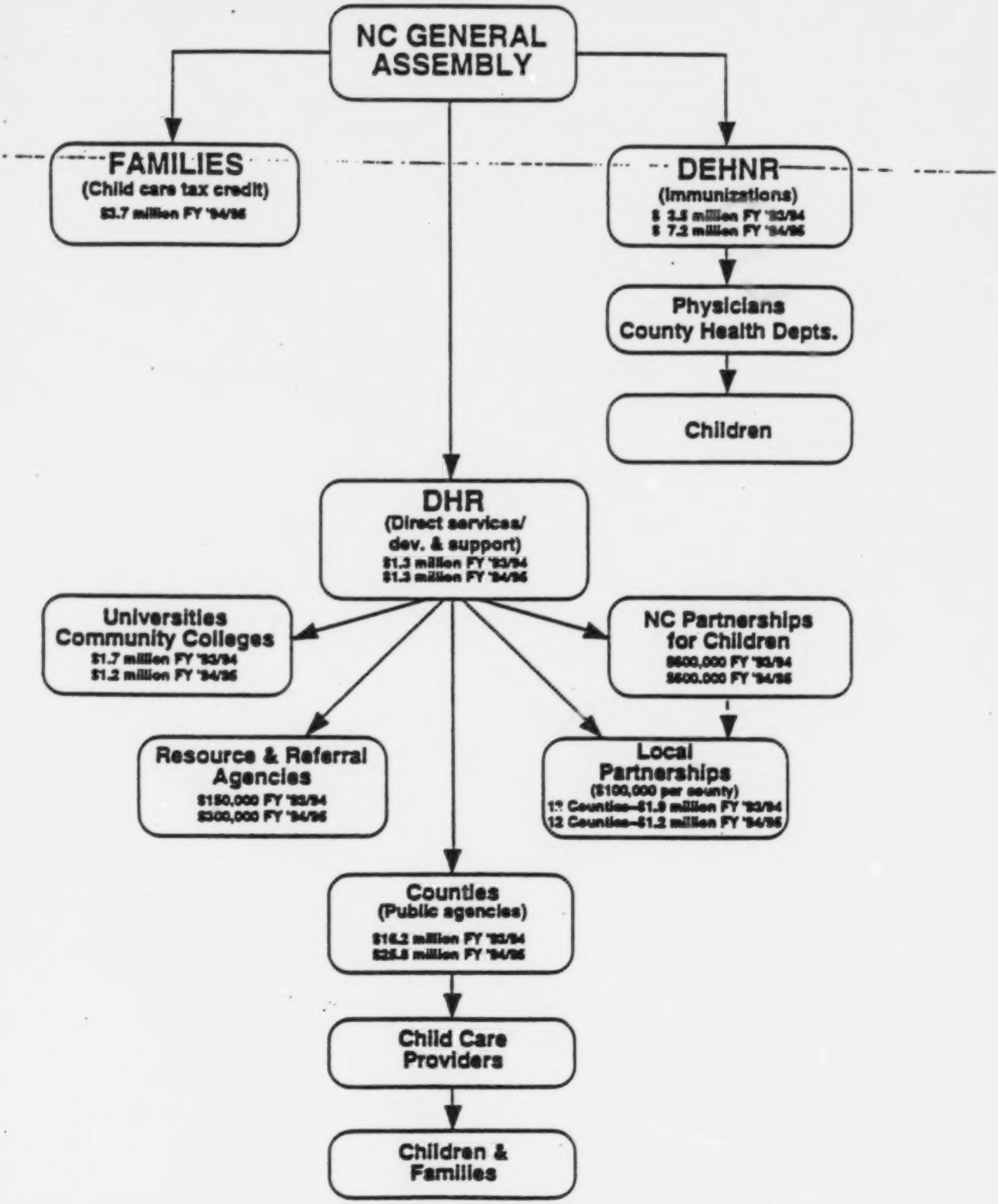
SMART START—FLOW OF $$$



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APPENDIX E

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APPENDIX F

SMART START TIMELINE

DATES	ACTIVITY
July 9	Legislation passed
July 15	Announcement of legislation and implementation schedule sent to all counties and interested parties
July 22	Requests for applications to be a demonstration site sent to contacts in all counties
July 29	Conference held in Durham to explain intent of Smart Start and to provide technical assistance with application process
August 17 & 31	Technical assistance teleconferences including videotapes from the July 29 conference and live question/answer sessions broadcast from selected community colleges
August 20	Questions and answers regarding application process mailed to all county contacts
September 3	Follow-up letter about collaboration team commitments to participate in strategic planning sessions if selected as a demonstration site sent to all county contacts
September 14	Open Net television presentation by Secretary Britt regarding purpose and goals of Smart Start
September 15	Deadline for Applications. Department received 81 applications representing 89 counties.
September 16 - 17	Applications screened for completeness
September 19 - 21	Independent Review Panel of 12 experts in community development, health planning, child development and family support services scored and ranked applications
September 22 - 26	Materials prepared listing application ranking, congressional district, and level of need and resources for each county which applied to assist N.C. Partnership Board in recommending counties for 12 local projects
September 26	N.C. Partnership Board recommended 12 sites to Secretary Britt
September 27	Governor Hunt's announcement of selected counties
October 11 - 12	Orientation Conference for planning teams from demonstration counties
October - November	County Collaboration Team meetings to develop short term plans
October 27	Luncheon and Question/Answer session at Executive Mansion for planning teams from the 82 counties which were not selected as demonstration sites this year
October 29	N.C. Partnership Board proposed allocations for Smart Start counties
November 3	Local Partnerships notified of allocations
November 5	Representatives from demonstration counties attended conference on quality child care and family support services in Raleigh
November 19 - 21	N.C. Partnership strategic planning session
December 1	Applications for special class of Early Childhood Leadership Development Program due; each demonstration site may send 4 persons
December 5 - 9	Local Partnerships' work session
January 14 - 16	N.C. Partnership strategic planning session
February 13 - 17	Local Partnerships' work session
April 10 - 14	Local Partnerships' work session
May 1	Demonstration counties' strategic plans due

APPENDIX G

NORTH CAROLINA
EARLY CHILDHOOD
INITIATIVE

SMART START

REQUEST FOR APPLICATIONS

July, 1993

CLOSING DATE

September 15, 1993

North Carolina Department of Human Resources

BACKGROUND

The Challenge

North Carolina is failing its children. Our state ranks 39th in the nation — among the 12 worst states — on the health and well-being of children, according to the national *Kids Count Data Book*. Every day in North Carolina three babies die, 67 children are abused or neglected, 45 families are started by teens, and 38 teenagers drop out of high school. Juvenile crime is on the rise, and North Carolina's 6.9 percent increase is more than twice the national increase of 3.4 percent. Nearly 20 percent of North Carolina children under age six live in poverty, one of the highest poverty rates for any segment of our population.

Fortunately, we know what works to address some of these issues. We know that providing high quality early childhood education and health services to young children and their families is one of the best and most cost-effective ways to prevent many of these problems.

Despite that knowledge, one of the most pressing concerns of young families today continues to be high quality child care for young children. More than 65 percent of North Carolina mothers with children under the age of six work outside the home — one of the highest percentages of working mothers in the United States, and access to high quality child care often is not available. Furthermore, current services for children and families in the community are fragmented and full value is not being realized from existing resources.

Call to Action

In March, 1993, Governor Jim Hunt proposed a comprehensive initiative designed to provide every child in North Carolina access to affordable, high quality early childhood education and other crucial services. Called "Smart Start," the initiative targets children from before birth to age five to ensure they come to school healthy and ready to learn. The "Smart Start" initiative has three long-range goals:

- Early childhood education and child care will be available for every child who needs them.
- Recognizing that healthy, nurturing families are the foundation of positive child development and growth, families will receive needed support and family-centered services to help ensure the healthy, caring development of their children.
- Early childhood programs and family services will meet high-quality standards and performance measures.

On July 9, 1993, the North Carolina General Assembly approved funding for 12 demonstration counties, or groups of counties, to participate in "Smart Start." These public-private partnerships will demonstrate new, innovative ways to meet the needs of young children and their families. One demonstration county, or group of counties, will be selected from each of the state's 12 congressional districts.

The counties selected will participate in a two-year collaboration and strategic planning process to develop and implement plans to provide comprehensive, integrated, high quality early childhood education and developmental services for young children, from before birth to age five. Services will be designed to enhance the intellectual, social, emotional, and physical development of infants and young children, provide supportive services to their parents, and build the capacity of communities to promote the well-being of children and families.

The General Assembly also funded a statewide public-private partnership called the North Carolina Partnership for Children. This private, nonprofit corporation will have 33 directors: 17 appointed by the Governor, 12 by the General Assembly, and four ex officio members. It will help coordinate the activities of the 12 demonstration counties and undertake its own strategic planning process to map out a statewide plan for young children and their families. The N.C. Partnership for Children will bring together North Carolina leaders — from business, government, education, churches, nonprofits, and child and family advocacy groups — to develop this collaborative statewide strategy, which will be interwoven with the individual county strategies. In effect, the N.C. Partnership's "top down" strategy will be married to the counties' "bottom up" strategy. The N.C. Partnership will nominate counties for selection for Smart Start by the Secretary of the Department of Human Resources.

Most of the "Smart Start" funding will be directed to providing early childhood education, quality child care, child development services, immunizations, and family-centered services for children of low and moderate income families. The outcome, however, we hope will be much broader. "Smart Start" funds are intended to serve as an incentive, as "seed money," for counties to develop integrated and comprehensive systems for delivering services and improving the quality of life for young children and their families. The goal is to have such systemic change encompass all young children in the community — not just children from low income families. Key to developing these systems is the intensive strategic planning process that each demonstration project will undergo.

The Opportunity

Despite the best intentions of policy makers, the well-being of young children and families has improved very little over the last 20 years. In many ways it has gotten worse. Though much has been learned about how to provide services to young children and families that will substantially improve their health and well-being and though many of the resources needed to help children and families exist, innovative ways of integrating services, providing access, and removing barriers do not exist. What is needed, then, is deep-rooted, systemic change that combines the best thinking of the public and private sectors with innovative, strategic involvement by, and within, communities.

This ambitious agenda cannot be achieved through public or private action alone. What is required are new models of action, new public-private partnerships like the N.C. Partnership for Children, and new levels of commitment and collaboration among state and local leaders. We must harness the creative energies in our state and in our counties to develop new initiatives for children and their families. Recognizing that the futures of our children, our families, and our communities are inextricably intertwined, we must involve families in our efforts from the outset. We must seek innovative ways to capitalize upon existing resources more effectively and find the best uses for the new funds appropriated under "Smart Start," which primarily are directed to high quality child care. We must evaluate existing initiatives, and the new ones that emerge from "Smart Start," on the basis of the outcomes these initiatives produce.

Through "Smart Start," leaders from 12 selected counties, or groups of counties, will receive new funds, intensive training, and targeted technical assistance to develop and implement more effective strategies to young children and their families. These counties will act as pioneers, helping lead the way for the rest of the state in meeting the needs of our most precious resource: our children.

THE APPLICATION

Parts I, II, III & IV

Who is Eligible to Apply?

Any county can apply to participate in "Smart Start." A group of counties may form a consortium and submit a single application. No more than one application will be accepted from each county, including a group application. Only one county or group of counties will be selected from each congressional district. A congressional district will be designated for a county, or group of counties, which crosses more than one congressional district.

Your Narrative (Parts I, II.A, and II.B)

Counties interested in applying should submit an original and three copies of the following materials (stapled in the upper left-hand corner) to the Secretary of the Department of Human Resources. (See last page for address and closing date.) Responses to the Needs and Resources Assessment and the narrative section must be double-spaced in 12 point typeface or larger; margins may not be less than one inch in width. The narrative section (including Parts I, II.A, and II.B) may not exceed 25 pages in length. In addition to the summary of your responses to the Needs and Resources Assessment included in Part I of your narrative, your complete responses to the Needs and Resources Assessment should be attached to your application. These responses may not exceed an additional 20 pages in length.

Part I: Summary of Needs and Resources Assessment

After the 12 demonstration counties are selected, "Smart Start" will fund a comprehensive assessment of the early childhood and family support needs and resources in all 100 counties. Those assessments will provide the planning base for creative community solutions and strategies as the 12 counties, or groups of counties, selected in the first round develop their "Smart Start" plans. The needs and resources assessment in the remaining counties will provide important data for those counties in their own planning efforts and provide a foundation to refine their application in future "Smart Start" competition, if additional funding is received.

In the meantime, counties submitting an application to be one of the 12 demonstration counties must conduct a general assessment of the status of young children in the county and of the county's ability to provide health care, education, early childhood education, developmental services, and family support services. The information in Attachment 1 has been supplied to help you begin that process.

Attachment 1 consists of county-specific statistical profiles compiled by a variety of public and private agencies. If you have questions about the data for your county, you may wish to obtain more current data from local sources. Attachment 2 contains questions which require responses to help identify strengths and gaps in the county's system of support services and the factors that contribute to those strengths and gaps. To complete Attachment 2 you will need more information about how services are delivered in your county, or counties, than has been supplied in Attachment 1.

Part I of your narrative should summarize your responses to the open-ended questions in Attachment 2. As described below, you must attach full responses to the questions in Attachment 2 to your application. A multi-county consortium may submit separate responses for each county or may combine the responses, as long as the needs and resources for each county in the consortium are covered.

Important: Attach a copy of your responses to the questions posed in the Needs and Resources Assessment to your application. As you respond to the questions and statements in Part II of the narrative, refer to the profile of your county, or group of counties, from your Needs and Resources Assessment and to your responses to its open-ended questions. The Needs and Resources Assessment should be completed first, before responding to the questions and statements posed in Parts II.A and II.B .

Part II: Why Your County?

A. Local Capabilities and Goals

1. Why should your county be selected as one of the 12 initial "Smart Start" demonstration projects? What other initiatives currently underway in your county will provide opportunities to deepen the impact of your county's participation in "Smart Start"? What makes your county likely to succeed, where others might be less successful? Alternatively, why should your county be chosen *because* you're starting far behind, requiring more effort to meet a greater need?
2. What are the overall goals for the local "Smart Start" program your county wishes to implement? Why does your county want to participate in "Smart Start"?
3. How broad-based will your planning process be? How will families eligible to participate in "Smart Start" be involved in the planning process? How will barriers to their participation be removed? What is your county's history of involving program participants in the decision-making process?
4. What problems exist in the health and human services systems in your county that serve young children and their families? How would you address those problems through "Smart Start's" intensive strategic planning process?

B. Local Collaborative Effort

1. Who comprises the team responsible for submitting your application? Attach a separate list (which will not be counted as part of the narrative) that reflects names, titles, telephone numbers, and a very brief statement of why each of these individuals was selected. (If the person serves on the team by virtue of his or her position, e.g., Director of Public Health, no further explanation is needed.) How have these individuals (and the organizations they represent) been involved in preparing the application?

2. Describe the process that was used to reach consensus on: (1) who would be chosen for the team, other than ex officio members, and (2) how the application would be developed and submitted. Were other individuals and groups not on the planning team involved in preparing this application? If yes, please explain.

3. One of the most important decisions a team will make is who will act as team leader. This is a crucial role. An effective team leader will have excellent group facilitation and people skills and relevant experience working with families and communities. The team leader should be a generalist who is able to think creatively about a myriad of approaches and is committed to fostering collaborative strategies that integrate policy initiatives across disciplines. The team leader should be skilled in gaining the confidence of and facilitating cooperation among people from diverse policy, political, and personal perspectives. We suggest you consider not selecting a team leader from one of the large public agencies in the community to avoid any perception, intended or not, that there will be a "lead agency." "Smart Start" intentionally steers away from the "lead agency" approach to encourage genuine, broad-based participation and ownership of the initiative. The goal is to develop leadership and build capacity collaboratively within the whole community.

   How was the team leader chosen? Describe the skills and qualifications of the team leader and enclose a resume. What criteria were used to make the selection?

4. How will groups and individuals who are not currently involved in the planning team be brought into the collaboration and planning process if your county is selected? Will you use working "issue" groups or task forces to achieve this? Some other mechanism? Explain.

5. "Business as usual" has clearly failed to meet the needs of North Carolina's children and families. To ensure that all children begin school healthy and ready to learn will require leaders at the local and state level to explore fundamentally new levels of cooperation and collaboration. This is true not only for leaders within government, but within the private, nonprofit, and religious communities as well. What evidence can you offer to demonstrate that the leaders of your community are prepared to undertake the work necessary to create such levels of trust and collaboration? What evidence can you provide of your county's strong commitment to the "Smart Start" initiative and to the highly intensive strategic planning process it will entail? Describe your county's willingness, if selected, to undertake the responsibilities described in "Responsibilities of the 12 Counties Once Selected" under "Related Information" below.

6. One of the expectations of "Smart Start" is that the first 12 counties will raise consciousness to early childhood issues within other counties in their congressional district through a program of community education and will share their successes and challenges as these other counties apply for "Smart Start," if it is expanded. Please describe how your team would provide community education and assist other counties in your congressional district if you are selected.

7. At the county level, the "Smart Start" evaluation effort will include such activities as participating in interviews, completing surveys, attending occasional meetings with evaluators, submitting progress reports, etc. Provide assurances of your county's commitment to program

evaluation and to participate fully in the evaluation process that will be directed by the Frank Porter Graham Child Development Center.

Part III: Letter of Commitment

A letter of commitment to the concept of "Smart Start" and to its successful implementation from the Board of County Commissioners must be enclosed with the application.

Part IV: Contact Person

Complete the name, title, organization, address, telephone number, and fax number of the person to be contacted in regard to the application.

Criteria for Selection

Twelve counties or groups of counties will be selected to participate in the "Smart Start" collaboration. The N.C. Partnership will nominate counties, or groups of counties, for selection for "Smart Start" by the Secretary of the Department of Human Resources. Selections will be based on the following criteria:

A. The applications must demonstrate the county's strong commitment to initiate and institute strategic policies to improve the well-being of young children and their families. Applications will be reviewed in their entirety for evidence of this commitment.

B. The applications must demonstrate how the county plans to work not only with the service agencies that affect young children and their families, but also with school districts, cities and towns, neighborhoods, citizens groups, and families in developing and implementing strategies that will yield positive outcomes for this population.

C. The county must present clearly stated reasons for wanting to participate in "Smart Start" and why it should be selected. Applications will receive higher rankings that demonstrate: (1) an understanding of the current well-being of young children and their families in their county, (2) a willingness by county officials and other community decision-makers to adopt a common view of the problems and share in a collaborative process of developing solutions, (3) a commitment to long-range strategic planning and to making changes in the *formal and informal* systems that serve this population, and (4) a commitment to policy and results-oriented accountability and program evaluation.

D. The county must assemble a broad-based application team committed to collaborative decision-making. Members must have appropriate knowledge and expertise, and be able to make decisions regarding policy and allocation of resources on behalf of their departments or constituencies. We recommend that the team include the following:

five parents of preschool-age children, at least three of whom have low incomes,
the chair of the board of county commissioners (for each county submitting the
    application if a group application)
the superintendent and/or the elected heads of the school board for each school district in
    each county submitting the application

the county manager, or assistant county manager with the greatest responsibility for children and families
the director of the department of social services
the director of the area mental health agency
the director of the county health department
at least one community leader such as mayor, head of neighborhood association, etc.
at least one business leader such as a major local employer, chamber of commerce president or executive director, etc.
the CEO of a community based nonprofit provider of services to young children and their families
director of Head Start (if applicable)
the head of parks and recreation (if applicable)
the head of the local Community Action Program (if applicable)
the head of the local cooperative extension office
the head of the local private industry council (if applicable)
the head of the local housing authority
president of a community foundation (if applicable)
director of a resource and referral agency (if applicable)
the president of the community college which serves the county
the head of the Interagency Coordinating Council (ICC)
the head of the public library or its board chair

Representatives of:
volunteer service agencies
religious groups and churches
child care organizations
citizens and civic groups
child care providers (public, private, church-sponsored, etc.)
family literacy organizations
others with an interest in young children and their families

E. The selection process is designed to produce a group of counties which represent a diverse mix of regional, demographic, and economic characteristics and which are at different levels of policy development for young children and families. Only one county or group of counties will be selected from each of the 12 congressional districts, and the counties selected will be representative of the full array of counties in North Carolina — those which have substantial resources and infrastructure to serve young children and their families and those which do not. Counties should not be discouraged from applying for "Smart Start" because they lack grant writing resources or expertise. The content of your responses to the Needs and Resources Assessment and the Narrative portion of the application and your depth of understanding of the issues will be key.

RELATED INFORMATION

What Happens if Your County is Selected?

The 12 demonstration counties (or groups of counties) nominated by the N.C. Partnership for Children and subsequently selected to participate in the first phase of "Smart Start" will undergo an intensive strategic planning process to develop and implement a strategic plan targeting the needs of young children and their families. Called the County Collaboration, this process will parallel the strategic planning process undertaken by the N.C. Partnership for Children and will involve at least three four-day work sessions at a central statewide site between October, 1993, and May, 1994, and numerous in-county meetings for technical assistance, planning, and some training. Through the County Collaboration, county teams will develop:

- ➢ An in-depth needs and resources assessment (beyond that included in this application) that details needs and the available public and private resources in the county, including a comprehensive review of all early childhood and family services currently available. (Funds will be provided so that all 100 counties can participate in this activity starting in the fall);
- ➢ A strategic plan that seeks to systematically address the problems of young children and their families, one key component being a plan for comprehensive child care, and seeks to maximize the impact of services and programs designed to help them.
- ➢ An action agenda that details the resources and actions needed to implement the plan, including the steps necessary for gaining countywide support for the plan; and
- ➢ A system for assessing and ensuring accountability for the outcomes of the policies developed through the County Collaboration.

While any number of individuals may take part in a county's planning efforts, a maximum of 20 people can participate in the three four-day Collaboration work sessions held statewide.

The County Collaboration team must commit to fully attending all statewide collaboration meetings. A schedule of all required work sessions will be mailed to the counties by August 15. The county must submit written verification from required team members (a list of which will be attached to the schedule of work sessions) that they will be able to participate in these sessions. Counties will receive a stipend to cover the costs of team members' lodging and meals during all required statewide work sessions.

Counties will be expected to monitor, revise, and update their plans as needed. Counties will also be expected to share their experiences and findings with other counties

Responsibilities of the 12 Demonstration Counties Once Selected

A. Attend all collaboration and strategic planning meetings. A minimum of three four-day meetings will be held during the first year.

B. Include low income families with children birth to age five and "consumers" in the planning, development, and decision-making processes.

C. Develop and implement a comprehensive, results-driven plan to meet the goals of the "Smart Start" initiative.

D. Form a tax-exempt 501(c)(3) nonprofit organization pursuant to G.S. 143B-168.12(b). Exemptions to this requirement may be granted if the county or consortium of counties can demonstrate that an existing nonprofit agency satisfies (or has reorganized to satisfy) statutory requirements. (See Attachment 3). This is NOT part of the application process. Only the 12 counties selected as "Smart Start" demonstration counties are expected to incorporate their local partnership for children.

As each county moves to implement their plans, the enabling legislation calls for the creation of a Local Partnership for Children. The board of this nonprofit corporation must include representatives from public and private nonprofit organizations, health and human service agencies, day care providers, the business community, foundations, county and municipal governments, local education units, and families — reflecting the same diversity of perspectives, as each planning team does. Each nonprofit will receive state funding for staff and administrative costs and will oversee the development and implementation of the county's strategic plan.

Although partnership boards may consist of no more than 29 members, demonstration counties will be strongly encouraged to include many others in the planning process through task forces, working groups, and the like.

E. Abide by rules and regulations developed by the Department of Human Resources to administer "Smart Start," pursuant to G.S. 143B-168.12(g). (See Attachment 3).

The Department of Human Resources is the fiscal agent for "Smart Start" and is authorized to develop fiscal controls and procedures for administering the initiative. The Department will contract with each county for the delivery of direct services (in accordance with the county allocation and its local plan) and with its local partnership for staff and administrative costs.

F. Comply with G.S. 143B-168.12(b) concerning open meetings and public records laws. (See Attachment 3).

Local partnerships must adopt procedures for their operations which are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department of Human Resources.

G. Comply with G.S. 143B-168.12(b) concerning an annual program, fiscal, and compliance audit by the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. (See Attachment 3).

As part of the statutory requirements for "Smart Start," the State Auditor's Office will conduct an annual financial and compliance audit of each partnership. Many nonprofits which receive state funding currently are subject to similar audits. Local partnerships will not receive direct services funding, except staff and administrative expenses as noted under D and E above.

H. Participate in the "Smart Start" evaluation and accountability effort.

Dates

The closing date for receipt of applications is September 15, 1993. Applications must be received in hand no later than 5:00 PM on the closing date to be considered for selection. A September 15 post mark will not qualify an application.

Addresses

Address applications to the Office of the Secretary, N.C. Department of Human Resources, Post Office Box 29526, Raleigh, North Carolina 27626-0526.

Applications may be hand delivered to the Office of the Secretary, N.C. Department of Human Resources, 101 Blair Drive, Room 104, Adams Building, Raleigh, North Carolina.

Do not enclose applications in binders. Faxed applications will NOT be accepted.

For More Information, Contact

Karen Ponder, Division of Child Development, North Carolina Department of Human Resources, Raleigh, North Carolina, (919) 733-4801.

Available Funds

In fiscal year 1993-94, $14.2 million will be available to support direct services and activities in the 12 demonstration counties selected to participate in "Smart Start." Additional funds will be available to support related statewide and state level activities.

A word about funding: Because the intent of this first round of competition is to select a representative cross-section of counties from around the state, some of the counties selected will be smaller than average; other will be bigger than average. Counties will receive a reasonable base allocation, with remaining funds allocated based on the number of children in a county, the number of children in poverty, and other considerations.

In all likelihood, very large counties, or large groups of counties, funded in the first round of 12 will not receive allocations sufficient to serve all eligible children, since doing so would consume much of the statewide "Smart Start" funding. Consequently, these counties, if selected, may need to design their strategic plans to target specific communities or neighborhoods.

Smart Start

Application Cover Sheet (to be returned)

Name of Applicant County or Counties:
Congressional Districts:
Contact Person:
Organization:
Mailing Address:
Telephone: **Fax:**

Please summarize in the box below why your county or counties should be selected as one of the twelve Smart Start pilot projects.

SMART START APPLICATIONS BY CONGRESSIONAL DISTRICTS

RESOURCE AVAILABILITY					CONGRESSIONAL DISTRICT							
	1	2	3	4	5	6	7	8	9	10	11	12
HIGH		WAKE	DARE	WAKE	GUILFORD			CABARRUS	MECKLENBURG			ALAMANCE
HIGH		DURHAM		ORANGE		ALAMANCE		MECKLENBURG			HENDERSON	DURHAM
HIGH		MOORE			FORSYTH	GUILFORD		UNION		CATAWBA		MECKLENBURG
HIGH					BURKE	ROWAN		ROWAN		YADKIN		ORANGE
HIGH								MOORE		FORSYTH		GUILFORD
HIGH								IREDELL		IREDELL		ROWAN
HIGH										BUNCOMBE	BUNCOMBE	FORSYTH
HIGH										MCDOWELL	TRANSYLVANIA	
HIGH										BURKE	MCDOWELL	
HIGH										HENDERSON		IREDELL
XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
MEDIUM HIGH	NASH	NASH	CARTERET	CHATHAM		DAVIDSON	BRUNSWICK	STANLY	GASTON			GASTON
MEDIUM HIGH		JOHNSTON	CURRITUCK		WATAUGA	RANDOLPH						
MEDIUM HIGH	WAYNE				PERSON							
MEDIUM HIGH	CRAVEN		WAYNE							ALEXANDER		
MEDIUM HIGH			CRAVEN									
MEDIUM HIGH			HYDE							AVERY	REGION A	
MEDIUM HIGH					STOKES							
MEDIUM HIGH					SURRY							
XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
MEDIUM LOW		GRANVILLE			ROCKINGHAM			MONTGOMERY	CLEVELAND	RUTHERFORD	CLEVELAND	
MEDIUM LOW		FRANKLIN			GRANVILLE		CUMBERLAND	CUMBERLAND			RUTHERFORD	
MEDIUM LOW	MARTIN	WILSON								CALDWELL		
MEDIUM LOW	DUPLIN	VANCE	MARTIN		CASWELL						MADISON	
MEDIUM LOW	WILSON	LEE	CAMDEN		ALLEGHANY							
MEDIUM LOW	VANCE		DUPLIN		CALDWELL							
MEDIUM LOW	BEAUFORT		PAMLICO									
MEDIUM LOW	CUMBERLAND		BEAUFORT									
MEDIUM LOW	CHOWAN		ONSLOW				ONSLOW					
XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX
LOW			TYRRELL		WILKES		BLADEN	HOKE		WILKES		
LOW	BLADEN	EDGECOMBE	SAMPSON					ROBESON				
LOW		HARNETT	PITT				COLUMBUS					
LOW	EDGECOMBE	HALIFAX					ROBESON	SCOTLAND				
LOW	GREENE							RICHMOND				
LOW	PITT											
LOW			JONES									
LOW			LENOIR									
LOW	COLUMBUS											
LOW												
LOW	JONES											
LOW	WASHINGTON											
LOW	WARREN											
LOW	NORTHAMPTON											
LOW	HERTFORD											
LOW	HALIFAX											
LOW	LENOIR											
LOW	GATES											
LOW	BERTIE											

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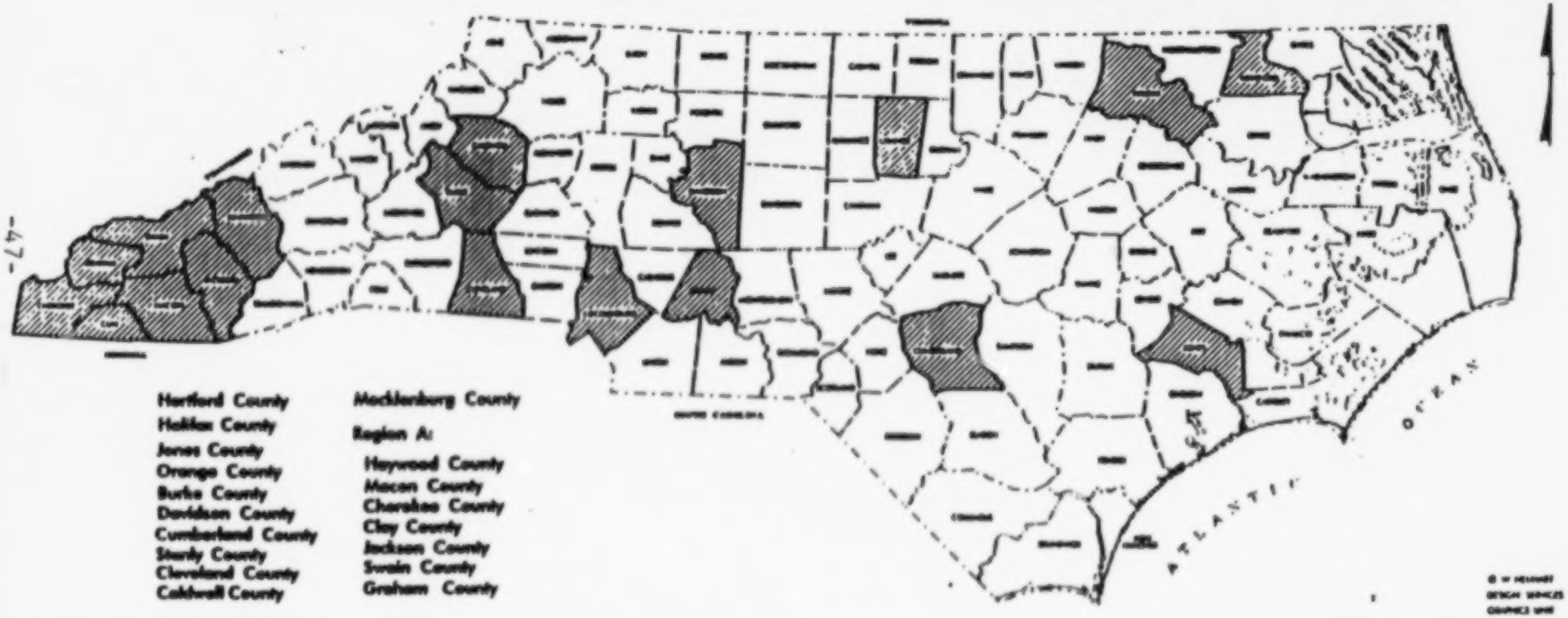
Smart Start Counties



- Hertford County
- Halifax County
- Jones County
- Orange County
- Burke County
- Davidson County
- Cumberland County
- Stanly County
- Cleveland County
- Caldwell County
- Mecklenburg County
- Region A:
  - Haywood County
  - Macon County
  - Cherokee County
  - Clay County
  - Jackson County
  - Swain County
  - Graham County

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1993 SMART START COUNTIES

	CONGRESSIONAL DISTRICT											
	1	2	3	4	5	6	7	8	9	10	11	12
HIGH				ORANGE	BURKE							MECKLENBURG
HIGH				5,440	4,915							39,282
HIGH				12.10%	16.70%							15.30%
HIGH												
HIGH												
XXXXXXXXXXXXX	XXXXXXXXX	XXXXXXX	XXXXXX	XXXXXXX	XXXXXX	XXXXXXXX	XXXXXXXXXX	XXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXXXX
MEDIUM HIGH						DAVIDSON		STANLY			REGION A#	
MEDIUM HIGH						8,480		3,746			(7 Counties)	
MEDIUM HIGH						14.10%		14.90%			7845	
MEDIUM HIGH											27.25%	
MEDIUM HIGH												
MEDIUM HIGH												
XXXXXXXXXXXXX	XXXXXXXXX	XXXXXXX	XXXXXX	XXXXXXX	XXXXXX	XXXXXXXX	XXXXXXXXXX	XXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXXXX
MEDIUM LOW							CUMBERLAND		CLEVELAND	CALDWELL		
MEDIUM LOW							25,377		5,874	4,685		
MEDIUM LOW							21.10%		15.70%	13.90%		
MEDIUM LOW												
MEDIUM LOW												
MEDIUM LOW												
MEDIUM LOW												
MEDIUM LOW												
MEDIUM LOW												
XXXXXXXXXXXXX	XXXXXXXXX	XXXXXXX	XXXXXX	XXXXXXX	XXXXXX	XXXXXXXX	XXXXXXXXXX	XXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXXXX
LOW	HERTFORD	HALIFAX	JONES									
LOW	1,645	4,092	737									
LOW	38.80%	41.40%	30.00%									
LOW												
LOW												
LOW												
LOW												
LOW												

The number listed under each county is the 1990 Census count of the number of children under age 5 in the county.
The percentage below the number is the percentage of children under age 5 in the county who live in poverty.

#The Region A application includes Cherokee, Clay, Graham, Haywood, Jackson, Macon, and Swain counties

STATEWIDE DATA:
469,176 Children under age 5
19.20% live in poverty

Allocations for Services to Preschool Children and Their Families

Explanation

Last January, the N.C. Department of Human Resources began preparing Smart Start budget estimates for Governor Hunt's supplemental budget request to the General Assembly. The department based its estimates on what it would cost to offer new or expanded services to three groups of children, birth to age five:

- Children below poverty not in subsidized child care;
- Children below poverty receiving inadequate child care subsidies; and
- Children above poverty but below 75% of median family income and not eligible for child care subsidies.

Based on the department's county-by-county estimates, the annual state projection to serve children in the above categories was about $185 million. Thus, a county of average size would be eligible for $1.85 million in services to preschool children and their families. The county's six-month allocation would be $925,000. These estimates were the basis for the legislative budget request which later was funded by the General Assembly.

The allocations to Smart Start demonstration counties for fiscal year 1993-94 (for six months of services) were made in two steps.

Step One: Each county was allotted either the amount of its legislative budget estimate, or the average state allocation of $925,000, *whichever was lower*. Four smaller-than-average counties were allotted their legislative budget estimate. The remaining counties (counting Region A as one county) were allotted $925,000 each.

Step Two: The difference between what each of the four smaller-than-average counties were allotted and $925,000 was about $1.8 million. These funds were allocated among the remaining counties in proportion to the difference between their legislative budget estimates (collapsing Region A as one county) and $925,000.

The N.C. Partnership for Children spent many hours attempting to determine the most equitable approach to allocating funds. This approach was felt to be fairest to large and small counties alike in this first round of Smart Start funding.

11/3/93

Direct and Indirect Services Allocations for "Smart Start" — FY '93-94

		Indirect Services								Total
Cong. District	County	Needs & Resources	Partnerships for Children	One-time Start-Up	Resource & Referral	Admin. Funds	Subtotal Indirect	Direct Services	% Budget Estimate	Allocation FY '93-94
1	Hertford	13,560	$100,000	$100,000	$12,500	$29,035	$255,095	$252,945	100.0%	$508,040
2	Halifax	15,515	100,000	100,000	12,500	35,037	263,052	816,079	100.0%	1,079,130
3	Jones	7,600	100,000	100,000	12,500	26,808	246,908	108,922	100.0%	355,830
4	Orange	15,515	100,000	100,000	12,500	38,343	266,358	955,734	82.8%	1,222,092
5	Burke	15,515	100,000	100,000	12,500	37,055	265,070	936,151	92.9%	1,201,221
6	Davidson	15,515	100,000	100,000	12,500	45,800	273,815	1,030,573	60.2%	1,304,388
7	Cumberland	19,000	100,000	100,000	12,500	87,244	318,744	1,456,858	29.8%	1,775,602
8	Stanly	13,560	100,000	100,000	12,500	34,188	260,248	754,592	100.0%	1,014,840
9	Cleveland	15,515	100,000	100,000	12,500	39,408	267,423	939,693	90.8%	1,207,116
10	Caldwell	15,515	100,000	100,000	12,500	36,491	264,506	938,441	91.5%	1,202,947
11	Region A	38,000	100,000	100,000	12,500	69,242	319,742	928,417	97.7%	1,248,159
12	Mecklenburg	19,000	100,000	100,000	12,500	121,350	352,850	1,981,596	22.5%	2,334,446
Totals All Counties		$203,810	$1,200,000	$1,200,000	$150,000	$600,000	$3,353,810	$11,100,000	49.3%	$14,453,810

1. Allocations for the local partnerships will be $100,000 in each fiscal year.
2. There will be no start-up funds in the second year.
3. Allocations for county administration, resource & referral, and other services will increase in the cond year for these 12 projects.

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APPENDIX I

THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN

PREAMBLE

The North Carolina Partnership for Children, Inc., a private, nonprofit organization, was founded in early 1993 to create and implement a comprehensive, outcome-focused plan to enrich the lives of children through high-quality early childhood education, health care, and related services by bringing together families, communities, churches, businesses, nonprofit organizations, foundations, and the state and local governments to pursue innovative strategies that make better use of existing resources and build on the experiences and expertise of communities and existing institutions. It is an active participant in the statewide initiative known as Smart Start.

As a foundation for the activities of the Partnership, we adopt the following section as taken from Article 3 of Chapter 143B of the General Statutes of North Carolina:

"...every child can benefit from, and should have access to, high-quality early childhood education and development services. The economic future and well-being of the State depend upon it. To ensure that all children have access to quality early childhood education and development services....

(1) Parents have the primary duty to raise, educate, and transmit values to young preschool children;
(2) The State can assist parents in their role as the primary caregivers and educators of young preschool age children; and
(3) There is a need to explore innovative approaches and strategies for aiding parents and families in the education and development of young preschool children."

The focus of our activities will be young children. Children shall always be considered within the context of their family and the family in the context of their community. Therefore, our role is to help develop the capacity of the community to assist and provide services to the family, when requested, and to assist the community in developing the capacity of the family, when requested, and to assist the family in developing the capacity of their children, when requested. Neither our intent nor our actions will attempt to replace the sovereignty of the family and the community in their respective roles.

ADOPTED BY THE BOARD OF DIRECTORS OF
THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN

GUIDING PRINCIPLES

The North Carolina Partnership for Children Board will:

- be mission driven and will develop clear goals and objectives to support that mission;
- encourage broad-based support and inclusion through representation and action;
- maintain accountability to families, funders, and the General Assembly;
- maintain its independence and commitment to action;
- function as a cohesive group of policymakers;
- maintain a unified public image.

As members of The North Carolina Partnership for Children Board, we will:

- commit to an active role in the work of the Board;
- communicate about diverse opinions with an open mind;
- affirm the vision and mission of the Partnership above any personal interests;
- support the decisions of the Board.

ADOPTED BY THE BOARD OF DIRECTORS OF
THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN

VISION STATEMENT

North Carolina values all of its youngest citizens by sustaining an environment in which communities develop the capacity to provide options, resources, and support so that children and their families may reach their full potential.

Every community:

- ensures healthy children and wholesome childhoods;
- provides safe, healthy, nurturing surroundings;
- protects its children from abuse, neglect, and other violence;
- emphasizes and respects the family's primary responsibility for their children;
- supports families in raising their children;
- provides family-friendly workplaces;
- provides a variety of high-quality, early childhood opportunities for families and their children; and
- fosters expectations, engenders hope, and encourages aspirations.

ADOPTED BY THE BOARD OF DIRECTORS OF
THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN

MISSION STATEMENT

For the future health and vitality of North Carolina, the mission of the North Carolina Partnership for Children is to take action on behalf of the people of North Carolina to support children 0-5 and their families through statewide and local community partnerships across the state.

In order to accomplish this mission, our board will act at the state level, and we will encourage the local partnerships' action at the community level to:

- assess status and verify the needs of children and their families and identify the barriers that may prevent them from accessing services, obtaining resources, or reaching their full potential;
- encourage families to fulfill their responsibilities to children;
- listen to the concerns of children, their families, and communities;
- identify appropriate strategies and take the lead in the development of solutions to meet the needs of children;
- implement plans that will improve the health and well-being of children and their families;
- mobilize communities to provide all the available resources to improve the lives of children and their families so that they might reach their full potential;
- evaluate programs and activities that have been designed to impact on children and their families;
- ensure diversity in building group consensus on behalf of children and their families;

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THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

- communicate with and inform the public to create a general public awareness of the needs of children and their families;

- provide opportunities for communities to share ideas and experiences in the effort to help children and their families best;

- advocate for the needs and stress the importance of children and their families within the state and federal political and policy networks;

- advise and monitor the use of state, federal, and private sector funds through local communities so that our vision for North Carolina's children and their families is achieved.

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THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN

GOALS

Goal 1: **All North Carolina children 0-5 are healthy and prepared to succeed when they enter school.**

Goal 2: **North Carolina families effectively fulfill their roles as the primary providers, nurturers, and teachers helping their children reach their full potential.**

Goal 3: **All North Carolina families with children 0-5 have access to high quality, affordable services they need and want, including early childhood education, services for children with special needs, and other services that support families.**

Goal 4: **North Carolina counties value all of their children and families by providing options, resources, and encouraging collaboration to help children and families reach their full potential.**

Goal 5: **North Carolina's state government, The North Carolina Partnership for Children, and county partnerships will work together as partners to encourage all constituencies to engage in collaborative efforts to improve the lives of North Carolina's children 0-5 and their families.**

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THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

Goal 1: **All North Carolina children 0-5 are healthy and prepared to succeed when they enter school.**

Subgoals:

1.1 Infants are born healthy.

1.2 Children have their health and nutritional needs met.

1.3 Infants and children are immunized on time.

1.4 Children grow up in safe, nurturing environments that are free of abuse, neglect, and violence.

1.5 Children experience developmentally appropriate social, emotional, intellectual, and physical growth.

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THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

Goal 2: **North Carolina families effectively fulfill their roles as the primary providers, nurturers, and teachers helping their children reach their full potential.**

Subgoals:

2.1 Families understand child development principles, improve their parenting skills, and involve themselves in their children's development.

2.2 Families know about and have timely access to the services they need to fulfill effectively their parenting roles. Community outreach efforts focus on connecting children and their families with services.

2.3 Families place high value on learning and education for themselves and their children.

2.4 Families provide the primary role models for ethical behavior and positive community interaction.

2.5 Families with children are empowered to take control of their own lives.

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THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

Goal 3: **All North Carolina families with children 0-5 have access to high quality, affordable services they need and want, including early childhood education, services for children with special needs, and other services that support families.**

Subgoals:

3.1 Families can afford early childhood services and education that meet high standards of quality.

3.2 Barriers which prevent access to high quality early childhood education services and other family services have been removed.

3.3 Effective child care resource and referral services are available to all who need and want them.

3.4 Children have access to nurturing teachers who are appropriately trained, educated, and compensated.

3.5 Children have access to timely, high quality health screenings and services.

3.6 Children with special needs have access to comprehensive early childhood intervention and follow-up services.

3.7 Services to support families in their parental roles are culturally sensitive, child-centered and family-focused. Families are treated with dignity and respect.

3.8 Families with children who do not qualify for child care subsidies have access to high quality early childhood services.

3.9 The child development, family support, and parenting education needs of low income families with young children, who have need for full day services, are met.

ADOPTED BY THE BOARD OF DIRECTORS OF
THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

Goal 4: **North Carolina counties value all of their children and families by providing options, resources, and encouraging collaboration to help children and families reach their full potential.**

Subgoals:

4.1 Every county has a clearly articulated vision and strategic plan for improving the lives of children and their families.

4.2 Each county mobilizes and leverages existing resources, including the services of volunteers, to improve the lives of children and their families.

4.3 Every county builds its capacity to improve conditions for children and their families and develops community leadership to address children's issues.

4.4 Decision makers considering services for children and their families will have broad-based representation. This will include, but is not limited to, low income parents and the business and religious communities.

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THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

Goal 5: **North Carolina's state government, The North Carolina Partnership for Children, and county partnerships will work together as partners to encourage all constituencies to engage in collaborative efforts to improve the lives of North Carolina's children 0-5 and their families.**

Subgoals:

5.1 The North Carolina Partnership for Children will continue to develop a clearly articulated vision and strategic plan for improving the lives of North Carolina's children and their families.

5.2 The North Carolina Partnership for Children will work to ensure that its vision and strategic plan receive public and legislative attention and support.

5.3 The North Carolina Partnership for Children will secure resources and funding from both public and private sources to support its work and the work of the local partnerships.

5.4 In all of its efforts to improve the lives of children and their families, North Carolina's state government will increasingly engage in collaborative planning, budgeting, and implementation efforts that cross agency boundaries and involve the local partnerships and other members of the private and non-profit sectors.

5.5 North Carolina's state government and The North Carolina Partnership for Children will support the efforts of local partnerships to improve the lives of children and their families by reducing and, where possible, eliminating bureaucratic barriers to service delivery.

5.6 North Carolina's state government and The North Carolina Partnership for Children will involve local partnerships in the process of developing long-range goals and outcomes for Smart Start and other early childhood initiatives.

ADOPTED BY THE BOARD OF DIRECTORS OF
THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

5.7 North Carolina's state government and The North Carolina Partnership for Children will develop a statewide accountability process for their efforts and the efforts of the local partnerships. This accountability process will regularly measure and report changes in key indicators for children and their families, and key indicators for the systems that serve children and their families.

5.8 North Carolina's state government and The North Carolina Partnership for Children will facilitate the development of and support a statewide network of local partnerships that reaches every county.

5.9 Smart Start is seen as an essential long-term investment to impact welfare reform, crime prevention, school graduation improvement, and teen pregnancy prevention.

ADOPTED BY THE BOARD OF DIRECTORS OF
THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN ON April 20, 1994

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NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES

5/11/94

1994-95 Budget Figures for Smart Start

		EXPANSION BUDGET		
	ORIGINAL	12 SITES		TOTAL
TYPE OF SERVICE	ALREADY BUDGETED FY 94-95	SHORT SESSION ADJUSTMENTS	NEW REQUEST 12 NEW SITES	SHORT SESSION REQUEST
Direct Services	$22,200,000	$8,632,547	$12,291,435	$20,923,982
Other Services				
NC Partnership	$600,000	$0	$0	$0
Local Partnerships	$1,200,000	$0	$1,200,000	$1,200,000
Resource & Referral	$300,000	$9,000	$309,000	$318,000
Needs & Resources	$0	$0	$0	$0
Leadership Dev.	$580,000	($80,000)	$0	($80,000)
Staff Development	$360,000	$10,800	$0	$10,800
Evaluation	$300,000	$9,000	$103,000	$112,000
Start-up Funds	$0	$0	$1,200,000	$1,200,000
Automation	$400,000	$12,000	$103,000	$115,000
Technology Educ.	$0	$0	$240,000	$240,000
County Process	$0	$0	$738,900	$738,900
State Admin. - DCD	$500,000	$15,000	$367,100	$382,100
State Admin. - DFD	$0	$48,400	$64,100	$112,500
Local Admin	$1,200,000	$139,000	$824,000	$963,000
TEACH	$0	$0	$1,000,000	$1,000,000
SUBTOTAL:	$5,440,000	$163,200	$6,149,100	$6,312,300
GRAND TOTAL:	$27,640,000	$8,795,747	$18,440,535	$27,236,282

APPENDIX J

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NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES

5/11/94

1994-95 Budget Figures for Smart Start

TYPE OF SERVICE	EXPLANATION
Direct Services	Builds in market rate inflation, additional children in underfunded counties among original 12 projects, and growth in eligible child population
Other Services	
NC Partnership	Keep funding constant for second year of biennium
Local Partnerships	$100,000 per existing and new projects
Resource & Referral	$25,000 per county plus 3% inflation
Needs & Resources	Process completed for all 100 counties with 93-94 funds
Leadership Dev.	Adjustment to reflect actual cost
Staff Development	3% inflation built in
Evaluation	Includes funds for new counties and 3% inflation; assumes some 93-94 carry forward
Start-up Funds	Start-up funds for new sites only
Automation	Upgrade DCD Automated Payment System
Technology Educ.	Keep funding constant for second year of biennium
County Process	Increase held below inflation for second set of counties
State Admin. - DCD	Inflation for first 12 sites plus 10 new positions needed to speed state processing
State Admin. - DFD	Three family development specialists needed
Local Admin	Original sites get inflation; Region A gets additional $103,000; new sites get 3/4 of $103,000 annual amount
TEACH	Keep funding constant for second year of biennium
SUBTOTAL:	
GRAND TOTAL:	Direct and Other Services combined

APPENDIX K

DRAFT
FOR REVIEW ONLY

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

D D

94-RHZ-012.2
THIS IS A DRAFT 15-MAY-94 11:24:48

Short Title: Certain Smart Start Funds Don't Revert. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT FUNDS APPROPRIATED TO BE ALLOCATED TO THE 12 LOCAL SMART START PROJECTS ESTABLISHED DURING THE 1993-94 FISCAL YEAR SHALL NOT REVERT UNTIL JUNE 30, 1995, FUNDS APPROPRIATED IN FISCAL YEAR 1993-94 TO BE ALLOCATED FOR THE SMART START STATEWIDE EVALUATION, THE PROFESSIONAL DEVELOPMENT OF DAY CARE PROVIDERS, THE SMART START AUTOMATED PAYMENT SYSTEM, AND THE T.E.A.C.H. PROGRAM SHALL NOT REVERT UNTIL JUNE 30, 1995, AND ANY FUNDS THAT MAY BE APPROPRIATED IN FISCAL YEAR 1994-95 TO BE ALLOCATED TO NEW SMART START PROJECTS TO BE ESTABLISHED DURING THE 1994-95 FISCAL YEAR SHALL NOT REVERT UNTIL JUNE 30, 1996.

The General Assembly of North Carolina enacts:

Section 1. (a) Funds appropriated to the Division of Child Development, Department of Human Resources, in fiscal year 1993-94 and allocated to the 12 local Smart Start projects established during the 1993-94 fiscal year shall not revert until June 30, 1995, but shall remain with the Division for use as provided under Part 10B of Article 3 of Chapter 143B of the General Statutes.

(b) Funds appropriated to the Division of Child Development, Department of Human Resources, in fiscal year 1993-94 and allocated for the statewide evaluation of Smart Start, the professional development of day care providers, the automated payment system, and the T.E.A.C.H. program shall not revert until June 30, 1995, but shall remain with the Division for use as defined by the original appropriation for these funds.

(c) Any new funds that may be appropriated to the Division of Child Development, Department of Human Resources, in fiscal year 1994-95 and to be allocated to new local Smart Start projects to be established during the 1994-95 fiscal year shall not revert until June 30, 1996, but shall remain with the Division for use as provided under Part 10B of Article 3 of Chapter 143B of the General Statutes.

(d) These funds are non-recurring and shall not become a part of the continuation budget for the Division of Child Development, Department of Human Resources.

Sec. 2. This act becomes effective June 30, 1994.

DRAFT 94-RHZ-012.2: CERTAIN SMART START FUNDS DON'T REVERT

Subsections (a) and (b) of Section 1 of this draft would provide that funds appropriated to the Division of Child Development, DHR, in fiscal year 1993-94 to be allocated to the first 12 local projects and to be allocated for the statewide evaluation of Smart Start, the professional development of child day care providers, the automated payment system, and the T.E.A.C.H. program shall not revert until June 30, 1995.

Subsection (c) of Section 1 would provide that any new appropriation of funds in fiscal year 1994-95 to be allocated to the second round of selected local projects shall not revert until June 30, 1996.

Subsection (d) of Section 1 would provide that these funds are nonrecurring and shall not become part of the Division's continuation budget.

Section 2 provides that the act would take effect June 30, 1994.

94RJ062

APPENDIX L

DRAFT
FOR REVIEW ONLY

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

D D

94-RHZ-005.3
THIS IS A DRAFT 13-MAY-94 15:53:43

Short Title: Amend Early Childhd. Initiatives. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT RECOMMENDATIONS OF THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES TO CHANGE THE SELECTION PROCESS FOR LOCAL DEMONSTRATION PROJECTS, TO ALLOW THE DEPARTMENT OF HUMAN RESOURCES TO DELEGATE CONTRACTING AUTHORITY TO LOCAL PARTNERSHIPS, THE NORTH CAROLINA PARTNERSHIP FOR CHILDREN, INC., OR A PUBLIC OR GOVERNMENTAL ENTITY, TO REQUIRE LOCAL PARTNERSHIPS TO BE NEWLY-FORMED ORGANIZATIONS, TO CLARIFY THE USE OF STATE FUNDS BY LOCAL PARTNERSHIPS, TO PROVIDE THAT STATE FUNDS SHALL NOT SUPPLANT CURRENT EXPENDITURES BY COUNTIES ON BEHALF OF YOUNG CHILDREN AND THEIR FAMILIES, AND TO MAKE TECHNICAL CHANGES TO THE LAW GOVERNING THE EARLY CHILDHOOD INITIATIVES.

The General Assembly of North Carolina enacts:

Section 1. Part 10B of Article 3 of Chapter 143B of the General Statutes reads as rewritten:

"Part 10B. Early Childhood Initiatives.

"§ 143B-168.10. Early childhood initiatives; findings.

The General Assembly finds, upon consultation with the Governor, that every child can benefit from, and should have access to, high-quality early childhood education and development services. The economic future and well-being of the State depend upon it. To ensure that all children have access to quality early childhood education and development services, the General Assembly further finds that:

(1) Parents have the primary duty to raise, educate, and transmit values to young preschool children;

(2) The State can assist parents in their role as the primary caregivers and educators of young preschool children; and

(3) There is a need to explore innovative approaches and strategies for aiding parents and families in the education and development of young preschool children.

"§ 143B-168.11. Early childhood initiatives; ~~intent; North Carolina Partnership for Children, Inc.~~ purpose; definitions.

(a) ~~It is the intent of~~ The purpose of this Part is to establish a framework whereby the General Assembly, upon consultation with the Governor, ~~to~~ may support through financial and other means, the North Carolina Partnership for Children, ~~Inc., a nonprofit corporation which has as its mission~~ Inc. and comparable local partnerships, which have as their missions the development of a comprehensive, long-range strategic plan for early childhood development and the provision, through public and private means, of high-quality early childhood education and development services for children and families. It is the intent of the General Assembly that communities be given the maximum flexibility and discretion practicable in developing their plans.

(b) The following definitions apply in this Part:

(1) Board of Directors. --- The Board of Directors of the North Carolina Partnership for Children, Inc.

(2) Department. --- The Department of Human Resources.

(3) Local Partnership. -- A local, private, nonprofit 501(c) organization established to coordinate a local demonstration project under this Part.

(4) North Carolina Partnership. --- The North Carolina Partnership for Children, Inc.

(5) Secretary. --- The Secretary of Human Resources.

"~~§ 143B-168.12. Early childhood initiatives; North Carolina Partnership for Children, Inc.; conditions; powers and duties; local demonstration projects; statewide needs and resource assessment; rule making; reporting requirements.~~

~~(a) As a condition for receiving funds appropriated to the North Carolina Partnership for Children, Inc., members of the Board of Directors of the North Carolina Partnership for Children, Inc., shall consist of four ex officio members and 29 appointed members. The four ex officio members shall be the~~

~~Secretary of the Department of Human Resources, the Secretary of the Department of Environment, Health, and Natural Resources, the Superintendent of Public Instruction, and the President of the Department of Community Colleges. The appointed members shall be appointed as follows: six by the Speaker of the House of Representatives, six by the President Pro Tempore of the Senate, and 17 by the Governor. Each of the members appointed by the President Pro Tempore of the Senate shall reside in a separate one of the following congressional districts: 1st, 3rd, 5th, 7th, 9th, and 11th. Each of the members appointed by the Speaker of the House of Representatives shall reside in a separate one of the following congressional districts: 2nd, 4th, 6th, 8th, 10th, and 12th. Four of the members appointed by the Governor shall be members of the party other than the Governor's party.~~

~~As a further condition for receiving funding, the North Carolina Partnership for Children, Inc., shall agree that it shall adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department. The corporation shall be subject to audit and review by the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the corporation.~~

~~(b) As a condition for receiving funding appropriated to it, the North Carolina Partnership for Children, Inc., shall oversee the development and implementation of 12 local demonstration projects. Each demonstration project shall be coordinated by a new local, private, nonprofit 501(c)(3) organization responsible for developing a comprehensive, collaborative, long-range plan of services to children and families in the service-delivery area. The board of directors of each local nonprofit organization shall consist of members including representatives of public and private nonprofit health and human service agencies, day care providers, the business community, foundations, county and municipal governments, local education units, and families. The Department of Human Resources, in cooperation with the North Carolina Partnership for Children, Inc., may specify in its requests for applications the local agencies that shall be represented on the Board.~~

~~As a further condition for receiving funding, these local nonprofit organizations shall agree that they shall adopt procedures for their operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open~~

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~~Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department. The organizations shall be subject to audit and review by the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the organizations.~~

~~The Department of Human Resources shall develop a statewide process, in cooperation with the North Carolina Partnership for Children, Inc., to select the local demonstration projects. The 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district.~~

~~An existing local, private, nonprofit 501(c)(3) organization in the community may apply to serve as the coordinator of a demonstration project if the governance of the project meets the objective of decision making by a broad range of public and private health and human services providers.~~

~~(c) Funds appropriated to be allocated to the local demonstration projects for services to children and families shall be used to expand coverage and improve the quality of services. These funds shall not be allocated to any local demonstration project until the Secretary of the Department of Human Resources, upon recommendation of the North Carolina Partnership for Children, Inc., has approved this local allocation. All local plans shall be approved by the Secretary.~~

~~(d) Funds appropriated to support the local strategic planning process and activities of the North Carolina Partnership for Children, Inc., the local nonprofit organizations, and start-up and related activities shall be available for these purposes upon the effective date of enactment of this Part.~~

~~(e) Communities shall be given the maximum flexibility and discretion practicable in developing their plans. Depending on local, regional, or statewide needs, funds may be used to support activities and services that shall be made available and accessible to providers, children, and families on a voluntary basis. These activities and services may include:~~

~~(1) Child day care services, including:~~
  ~~a. Start-up funding for day care providers;~~
  ~~b. Assistance to enable child day care providers to conform to licensing and building code requirements;~~
  ~~c. Needs and resources assessments for child day care services;~~
  ~~d. Child day care resources and referral services;~~

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~~e. Enhancement of the quality of child day care provided;~~

~~f. Technical assistance for child day care providers; and~~

~~g. Evaluation of plan implementation of child day care services;~~

~~(2) Family- and child-centered services, including early childhood education and child development services, including:~~

~~a. Enhancement of the quality of family- and child-centered services provided;~~

~~b. Technical assistance for family- and child-centered services;~~

~~c. Needs and resource assessments for family- and child-centered services;~~

~~d. Home-centered services; and~~

~~e. Evaluation of plan implementation of family- and child-centered services; and~~

~~(3) Other appropriate activities and services for child day care providers and for family- and child-centered services, including:~~

~~a. Staff and organizational development, leadership and administrative development, technology assisted education, and long-range planning; and~~

~~b. Procedures to ensure that infants and young children receive needed health, immunization, and related services.~~

~~(f) The Department of Human Resources, in cooperation with the North Carolina Partnership for Children, Inc., shall develop a needs and resource assessment for each county. Of the funds appropriated to it to implement this Part, the Department may make available funds to each county for one year to an appropriate private nonprofit entity or to the county to perform this assessment.~~

~~(g) The Department of Human Resources, in cooperation with the North Carolina Partnership for Children, Inc., shall adopt any rules necessary to implement this section, including rules to ensure that no State funds or local funds used to supplant these State funds shall be used for personnel sick leave and annual leave benefits not allowed to State employees.~~

~~(h) The Department of Human Resources shall report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii) to the General Assembly and the Governor by~~

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~~April 1, 1994, and by March 1, 1995, on the ongoing results of all the local demonstration projects' work, including all details of the use to which the allocations were put, and on the continuing plans of the North Carolina Partnership for Children, Inc., and of the Department of Human Resources, together with legislative proposals, including proposals to implement the program statewide.~~

"§ 143B-168.12. North Carolina Partnership for Children, Inc.; conditions.

(a) In order to receive State funds, the following conditions shall be met:

(1) Members of the Board of Directors shall consist of the following 33 members:

a. The Secretary of Human Resources, ex officio;
b. The Secretary of Environment, Health and Natural Resources, ex officio;
c. The Superintendent of Public Instruction, ex officio;
d. The President of the Department of Community Colleges, ex officio;
e. One resident from each of the 1st, 3rd, 5th, 7th, 9th, and 11th congressional districts, appointed by the President Pro Tempore of the Senate;
f. One resident from each of the 2nd, 4th, 6th, 8th, 10th, and 12th congressional districts, appointed by the Speaker of the House of Representatives; and
g. Seventeen members, of whom four shall be members of the party other than the Governor's party, appointed by the Governor.

(2) The North Carolina Partnership shall agree to adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department.

(3) The North Carolina Partnership shall oversee the development and implementation of the local demonstration projects as they are selected.

(b) The North Carolina Partnership shall be subject to audit and review by the State Auditor under Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the North Carolina Partnership.

"§ 143B-168.13. Implementation of program; duties of Department and Secretary.

(a) The Department shall:

(1) Develop a statewide process, in cooperation with the North Carolina Partnership, to select the local demonstration projects. The first 12 local demonstration projects developed and implemented shall be located in the 12 congressional districts, one to a district. The locations of subsequent selections of local demonstration projects shall represent the various geographic areas of the State.

(2) Develop, in cooperation with the North Carolina Partnership, a needs and resource assessment for each county. Of the funds appropriated to it to implement this Part, the Department may make available funds to each county for one year to an appropriate private nonprofit entity or to the county to perform this assessment.

(3) Provide technical and administrative assistance to local partnerships, particularly during the first year after they are selected under this Part to receive State funds. The Department, at any time, may authorize the North Carolina Partnership or a governmental or public entity to do the contracting for one or more local partnerships. After a local partnership's first year, the Department may allow the partnership to contract for itself.

(4) Adopt, in cooperation with the North Carolina Partnership, any rules necessary to implement this Part, including rules to ensure that no State funds or local funds used to supplant these State funds shall be used for personnel sick leave and annual leave benefits not allowed to State employees.

(5) Report (i) quarterly to the Joint Legislative Commission on Governmental Operations and (ii) to the General Assembly and the Governor by April 1, 1994, and by March 1, 1995, on the ongoing results of all the local demonstration projects' work, including all details of the use to which the allocations were put, and on the continuing plans of the North Carolina Partnership and of the

Department, together with legislative proposals, including proposals to implement the program statewide.

(b) The Secretary shall approve, upon recommendation of the North Carolina Partnership, all allocations of State funds to local demonstration projects. The Secretary also shall approve all local plans.

"§ 143B-168.14. Local partnerships; conditions.

(a) In order to receive State funds, the following conditions shall be met:

(1) Each local demonstration project shall be coordinated by a new local partnership responsible for developing a comprehensive, collaborative, long-range plan of services to children and families in the service-delivery area. The board of directors of each local partnership shall consist of members including representatives of public and private nonprofit health and human service agencies, day care providers, the business community, foundations, county and municipal governments, local education units, and families. The Department, in cooperation with the North Carolina Partnership, may specify in its requests for applications the local agencies that shall be represented on a local board of directors. No existing local, private, nonprofit 501(c)(3) organization, other than one established on or after July 1, 1993, and that meets the guidelines for local partnerships as established under this Part, shall be eligible to apply to serve as the local partnership for the purpose of this Part.

(2) Each local partnership shall agree to adopt procedures for its operations that are comparable to those of Article 33C of Chapter 143 of the General Statutes, the Open Meetings Law, and Chapter 132 of the General Statutes, the Public Records Law, and provide for enforcement by the Department.

(b) Each local partnership shall be subject to audit and review by the State Auditor under Article 5A of Chapter 147 of the General Statutes. The State Auditor shall conduct annual financial and compliance audits of the local partnerships.

"§ 143B-168.15. Use of State funds.

(a) State funds allocated to local projects for services to children and families shall be used to meet assessed needs, expand coverage, and improve the quality of these services. The local plan shall address the assessed needs of all children to the extent feasible. It is the intent of the General Assembly that the needs of young children below poverty who remain in the home, as well as the needs of young children below poverty who require services beyond those offered in child care settings, be addressed. Therefore, as local partnerships address the assessed needs of all children, they should devote an appropriate amount of their State allocations, considering these needs and other available resources, to meet the needs of children below poverty and their families.

(b) Depending on local, regional, or Statewide needs, funds may be used to support activities and services that shall be made available and accessible to providers, children, and families on a voluntary basis. These activities and services may include:

(1) Child day care services, including:
  a. Start-up funding for day care providers;
  b. Assistance to enable child day care providers to conform to licensing and building code requirements;
  c. Needs and resources assessments for child day care services;
  d. Child day care resources and referral services;
  e. Enhancement of the quality of child day care provided;
  f. Technical assistance for child day care providers;
  g. Evaluation of plan implementation of child day care services;
  h. Raising the county child day care subsidy rate to the State market rate, if applicable, in return for improvements in the quality of child day care services; and
  i. Raising the income eligibility for child day care subsidies up to seventy-five percent (75%) of the State median family income.

(2) Family- and child-centered services, including early childhood education and child development services, including:
  a. Enhancement of the quality of family- and child-centered services provided;

b. Technical assistance for family- and child-centered services;

c. Needs and resource assessments for family- and child-centered services;

d. Home-centered services; and

e. Evaluation of plan implementation of family- and child-centered services; and

(3) Other appropriate activities and services for child day care providers and for family- and child-centered services, including:

a. Staff and organizational development, leadership and administrative development, technology assisted education, and long-range planning; and

b. Procedures to ensure that infants and young children receive needed health, immunization, and related services.

(c) Long-term plans for local projects that do not receive their full allocation in the first year, other than those selected in 1993, should consider how to meet the assessed needs of low-income children and families within their neighborhoods or communities. These plans also should reflect a process to meet these needs as additional allocations and other resources are received.

(d) State funds designated by the Secretary for start-up and related activities may be used for capital expenses or to support activities and services for children, families and providers. State funds designated by the Secretary to support activities and services for children, families and providers shall not be used for major capital expenses unless the Secretary approves this use of State funds based upon a finding that a local partnership has demonstrated that (i) this use is a clear priority need for the local plan, (ii) it will enable the local partnership to provide services and activities to underserved children and families, and (iii) the local partnership will not otherwise be able to meed this priority need by using State or federal funds available to that county.

(e) State funds allocated to local partnerships shall not supplant current expenditures by counties on behalf of young children and their families, and maintenance of current efforts on behalf of these children and families shall be sustained. State funds shall not be applied without the Secretary's approval where State of federal funding sources, such as Head Start, are available or could be made available to that county."

Sec. 2. This act is effective upon ratification.

DRAFT 94-RHZ-005.3: AMEND EARLY CHILDHD. INITIATIVES

This proposed bill would make a number of changes to Part 10B of Article 3 of Chapter 143B of the General Statutes: "Early Childhood Initiatives" ("Smart Start"). The proposal would provide the following:

1. Subsequent selections of local demonstration projects would not have to be one per congressional district. Instead, subsequent projects shall be geographically distributed. The statute currently requires the 12 projects to be located in each of the State's 12 congressional districts. (p. 7, lines 8-14)
2. DHR would be directed to provide technical and administrative assistance to local partnerships. Also, DHR would be able to delegate contracting authority to local partnerships after the first year and to the NC Partnership or a governmental or public entity at any time. (p. 7, lines 22-30)
3. Existing nonprofits, other than those formed on or after July 1, 1993, and that meet Smart Start guidelines, could not serve as the local partnerships. Currently, an existing nonprofit organization may serve as a local Smart Start partnership if its governance structure "meets the objective of decision making by a broad range of public and private health and human services providers." (p. 8, lines 25-31)
4. Local partnerships, as they address the assessed needs of all children, would be encouraged to devote an "appropriate" amount of their allocations, considering these needs and other available resources, to meet the needs of young children below poverty who either remain in the home or require services beyond those offered in child care settings. (p. 9, lines 1-13)
5. Local partnerships would be allowed to use their allocations to (i) raise the county child day care subsidy rate to the State market rate, if applicable, in exchange for improvements in quality of care, or (ii) raise the income eligibility for child care subsidies up to 75% of the State median family income. (p. 9, lines 33-39)
6. Local partnerships that are not fully funded during the first year, other than those selected in 1993, would be encouraged to develop long-term plans that consider how to meet the assessed needs of low-income children and their families within their neighborhoods or communities. These plans should reflect a process to meet these needs as additional allocations and resources are received. (p. 10, lines 18-24)
7. Funds designated to support activities and services for children and families could not be used for major capital expenditures unless the Secretary approves this use based on his finding that the local partnership has established that this use is a priority need for the local plan, it would enable the partnership to provide services to underserved children and families, and the local partnership will not otherwise be able to meet this need by using available State or federal funds. (p. 10, lines 25-37)
8. Local allocations could not supplant current county expenditures for children and their families, and maintenance of current efforts would be mandated. It also would prohibit without the Secretary's approval the use of State funds where other State or federal funding sources, such as Head Start, exist. (p. 10, lines 38-44)

The rest of the changes consist primarily of a reorganization of the existing language by breaking the current G.S. 143B-168.12 into four separate subsections. Also, G.S. 143B-168.11 has been changed from an "intent" subsection to be the "purpose," and a list of definitions has been added.

94RJ058.4